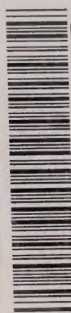


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ANNUAL CONFERENCE OF FIRST MINISTERS

CONFERENCE ANNUELLE DES PREMIERS MINISTRES

VERBATIM TRANSCRIPT

(unrevised)

COMPTE RENDU TEXTUEL

(non révisé)

Vancouver  
November 20 and 21, 1986

Vancouver  
Les 20 et 21 novembre 1986







ANNUAL CONFERENCE OF FIRST MINISTERS

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PLEASE NOTE

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Prepared by the

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CONFERENCE OF AMBASSADORS / CONFÉRENCE DES AMBASSADES

November 17, 1984 - Morning Session

17th November 1984 - Séance de matin

November 20, 1984 - Afternoon Session

20th November 1984 - Séance de l'après-midi

November 21, 1984 - Morning Session

21st November 1984 - Séance de matin

CAUTION

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ANNUAL CONFERENCE  
OF  
FIRST MINISTERS

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CONFERENCE ANNUELLE  
DES  
PREMIERS MINISTRES

VERBATIM TRANSCRIPT

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(unrevised)

Morning Session of  
November 20, 1986

COMPTE RENDU TEXTUEL

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(non révisé)

Séance du matin du  
20 novembre 1986





RT. HON. BRIAN M. MULRONEY (Prime Minister of Canada) CHAIRMAN: Colleagues, may we begin, please. Messieurs les Premiers ministres, collègues de toutes les provinces, territoires, as chairman I extend a cordial welcome to this Second Annual Conference of First Ministers. We are here for a working session in the spirit of Canadian federalism. Through a common understanding of national issues we will find more effective solutions, we all hope, to our shared problems.

To those Premiers attending their initial Annual First Ministers' Conference (Premier ministre Bourassa, pas sa première conférence, mais sa première conférence en vertu de cette nouvelle formule; Premier Ghiz, Premier Vander Zalm), I bid of course a very special welcome.

Since the 1985 First Ministers' Conference in Regina, where First Ministers signed the Memorandum of Agreement to hold these annual conferences, I think we've worked together to improve the climate of federal-provincial relations. Last year, we began to turn the First Ministers' Conference into a working session. Today and tomorrow we will have the benefit of the work that was undertaken at the request of First Ministers in 1985.

Our purpose - the purpose of the First Ministers' Conference as outlined in the Regina Agreement - is to review the state of the federation, to consult on the major economic and social directions for the country, to plan federal-provincial business for the coming year and to coordinate our governments' actions on the major issues of the day.

I would also, in a very special way, like to thank Premier Getty, as this year's Chairman of the Annual Premiers' Conference, for his very significant contribution in setting our agenda for Vancouver and in helping me and fellow First Ministers

throughout the year in trying to limit difficulties and work together on common solutions.

Au cours des deux prochains jours, nous aborderons un certain nombre de questions importantes. Je crois que nous pouvons nous servir de cet ordre du jour général pour mettre à profit le caractère positif des discussions qui ont eu lieu en août dernier à la conférence d'Edmonton, où bon nombre de ces questions ont été soulevées.

La séance de ce matin s'ouvre sur le premier point à l'ordre du jour, «l'état de la Fédération et de l'économie», qui nous donnera l'occasion d'évaluer l'évolution des relations -- dis-je -- fédérales-provinciales au cours de l'année écoulée. Nous passerons en revue les défis économiques et financiers qui se présentent à nos gouvernements. Et ensemble, nous pouvons continuer à trouver des champs d'action commune.

Cet après-midi, la discussion portera sur «le développement économique». Nous aurons en main pour nous aider les rapports mixtes des ministres fédéraux et provinciaux de l'agriculture et des pêches, que nous avons commandés en novembre dernier lors de la Conférence des Premiers ministres à Halifax. J'espère que la discussion débouchera sur une perception commune des priorités de développement économique de chacune des provinces et du pays tout entier.

Demain matin, notre attention se portera sur le sujet de «l'égalité économique pour les femmes». Nous passerons en revue les progrès accomplis depuis la conférence d'Halifax, plus particulièrement dans les domaines de la formation et de l'égalité sur le marché du travail. Nous aurons l'occasion d'examiner un large éventail de politiques destinées à promouvoir la pleine participation des femmes à la société canadienne.



La Conférence se terminera par une séance à huis clos où nous ferons le point sur les négociations commerciales avec les Etats-Unis, comme nous l'avons fait à deux reprises déjà au cours des six derniers mois.

Before turning to the first formal item on the structured agenda, I know our host Premier would like to say a few words: Premier Vander Zalm, who was our host as well last evening at an enjoyable and, I think, very productive dinner, for which we thank you, sir, and may I turn to you.

THE HON. WILLIAM N. VANDER ZALM (Premier of British Columbia): Thank you, Mr. Prime Minister and fellow Ministers.

On behalf of all British Columbians, let me extend a warm west coast welcome to you and to the members of your delegations.

This past year has been an exciting and memorable one for our people and our province. It was a year when the eyes of the world were on Vancouver and British Columbia because of our magnificent World Exposition.

During its 165 days, we played host to millions of visitors from many lands, and to many of our own people, the people of Canada.

Although Expo 86 was staged in Vancouver, and although British Columbians as hosts took a justifiable pride in it as their fair, the Exposition's spectacular success was due, in large part, to the enthusiastic and widespread support it received from Canadians coast to coast.

In global terms, Expo generated a new international awareness of our province and of our country which, in the long term, will bring many benefits in terms of increased trade and investment.

Expo's proudest legacy, though, is the sense of national pride it generated among Canadians, many of whom either saw British Columbia for the first time, or in a new and different light.

Today, through this First Ministers' Conference, we have a fresh opportunity to enhance that pride and to bring about increased unity among the people and the diverse regions which make up this great country of Canada.



As a nation, we have many problems to solve in terms of our economy and the needs of our people, for while the diversity of our many regions is in part a source of our richness, the disparities which exist in those regions also serve as a source of frustration for many Canadians.

It is my hope that at this Conference we can in a spirit of frankness and openness, identify and share the concerns which exist across Canada, and in a spirit of cooperation work together to develop solutions for them.

While it is unrealistic to expect that our two-day meeting will resolve all the issues and challenges we face as a country, we can demonstrate to the people of Canada that there is a new mood and a willingness to make a fresh start.

Prime Minister, it is in this spirit that I welcome you and the First Ministers to Vancouver. I look forward to a constructive and open discussion with you and my fellow provincial Premiers over the next few days and I'm certain that here in Vancouver we will be able to build on the progress that was made at both Regina and Halifax.

Again, welcome to Vancouver on behalf of all British Columbians. Thank you, Mr. Prime Minister.

THE CHAIRMAN: Well, thank you, Mr. Premier. Many of us were fortunate enough to attend the opening of Expo 86 and later, to visit the Fair. It was a resounding success, and one which brought pride to all Canadians, and I'm sure all First Ministers.

I'm sure we would all join in congratulating the people of British Columbia for a job well done. Visitors from around the world experienced the warmth and special vitality of the people of this province. On behalf of the Government of Canada, I take special satisfaction in knowing that the Canadian Pavilion will be left to the people of British Columbia as one of the enduring legacies of the Fair, when it will open next spring as a trade and convention centre.

Looking back over the past year since we met at our first Annual Conference in Halifax, I think we can say that we have made substantial progress together.

We've had difficult moments. We always will. We've had disappointments, which is an essential ingredient, I suppose, both of life and of political life, but we have remained committed to the vital importance of federal-provincial consultation. Over the past year, the frequency of intergovernmental meetings - and the range of issues discussed - demonstrates and justifies this commitment.

We have made progress in putting behind us the divisiveness that drained the federation of much of its productive energies. We have all, each of us, taken pains to try to avoid unilateral action and confrontation, and while we have had, and will continue to have, differences and disappointments, our discussions have been marked by mutual respect.

As we begin our proceedings in Vancouver, it is perhaps useful to look back to Regina and remind ourselves why First Ministers agreed to hold these Annual Conferences.



Prior to the 1985 Regina agreement, whether or not a First Ministers' Conference would be held to coordinate economic policies was, in itself, a source of federal-provincial tension, and there are many of you around this table who remember that. Premiers spent a good deal of energy and time asking to meet the Prime Minister and presenting to him a range of issues that, in the judgement of the First Ministers, were not being adequately addressed.

At Regina, we recognized the need for National Reconciliation. We agreed to meet annually to try and foster greater stability. We undertook to hold the Conferences at a regular time each year to enable us to take stock, in a general way, of our situations and our policies. As a federal government, we wanted to ensure that the nation, the business community and the regions would know well in advance what approaches we would be taking, what our requirements would be and so on.

No one ever suggested that differences of views would disappear automatically. In fact, I recall Premier Lougheed, former Premier of Alberta, suggesting that disagreements between the federal government and the provinces would always exist, but that the working out of differences would, under this new formula - he was speaking in Regina, under this new formula and approach, would, as Mr. Lougheed said, "be done in a spirit of cordiality and with full consultation".

With this background in mind, I think it is fair to say that this second Annual Conference of First Ministers is an important means to an end. The end is more stable, fair and effective policies to benefit all Canadians. And I believe we all agree that governments are more effective when common problems and shared opportunities are addressed in a spirit of cooperation and goodwill.

The trade initiative with the United States is one example of this approach. During the past year we have met regularly to review the progress of negotiations with the U.S. and will do so again tomorrow and we seize given opportunities, such as dinner last evening, to have a pretty frank, and, I think, successful exchange of views on this important topic. This same spirit of cooperation is now being extended by the federal government, I think for the first time, by Mr. Clark, in regard to the multilateral trade negotiations under the auspices of GATT, where the provinces are having unique opportunities of participation.

It is neither a surprise nor merely a coincidence that the political stability created by an improved climate of federal-provincial relations has been accompanied by an expanding economy, giving rise to more jobs and more prosperity for Canadians.

The achievement of political stability reinforces our capacity to attract investment into Canada. Net foreign private investment of \$3.8 billion in the first half of this year is testimony to this fact.

Les questions de justice sociale occupent une place importante dans le programme national. Ce n'est pas parce que nous sommes des politiciens d'une allégeance particulière, mais parce que nous sommes des Canadiens, que les programmes sociaux reçoivent notre appui. Ces programmes font partie intégrante de notre identité nationale, et nous partageons la responsabilité de veiller à leur amélioration et à leur perfectionnement.

Pour que les ressources humaines du Canada soient pleinement utilisées, il faut que tous les Canadiens aient accès à des services de santé et d'éducation de calibre international. Une importance toute spéciale doit être accordée au rôle des femmes. Il faut encourager leur esprit d'entreprise et leur

vitalité économique. Il faut supprimer les obstacles à leur pleine participation à la société canadienne.

Pour y parvenir, nous devons renforcer la base sur laquelle reposent nos programmes sociaux. Les préoccupations de politique sociale se règlent plus efficacement quand l'économie est forte et en pleine croissance. Cependant, la poursuite de la croissance économique repose à son tour sur des progrès constants dans l'assainissement des finances publiques.

By creating more jobs and greater prosperity, we're going to be in a better position to finance and improve our system of social programs. And progress on social justice gives all Canadians an opportunity to contribute to greater economic prosperity.

This conference, here in Vancouver, this is an appropriate time for taking stock and for looking ahead.

The policy directions of our government were outlined in a recent Speech from the Throne. In that Speech, we set our agenda for national action. By building on the accomplishments of the last two years, we have intensified our efforts to achieve economic prosperity and greater social justice for the people of Canada.

Let's consider briefly the progress we have made collectively, the provinces and the federal government, the private sector and the trade unions, in renewing Canada's economy, as well as the challenges posed by today's economic outlook.

We are making steady gains on the economic front:

- Unemployment today in Canada is at its lowest in 4½ years.
- Over 600,000 jobs have been created since September 1984. This represents a gain of 5.5 per cent, a rate of increase three times that of the United Kingdom, West Germany and Italy combined.
- Since September '84, 350,000 women have found new jobs, and over



three-quarters of these have been full-time jobs.

- The average incomes of Canadian families began rising in real terms in 1985 for the first time in five years. What this means colleagues, in human terms, is that about 300,000 Canadians are no longer living below the poverty line -- the first such decline since 1981.

- The prime rate is the lowest it has been in eight years. The decline in the chartered banks' prime rate to nine and three-quarters on July 18 marked the first time in eight years that this rate has been below double digits.

- Inflation has been contained at about 4 per cent.

In the most recent quarter housing starts reached their highest level in eight years, and since 1984 retail sales have risen by 21 and a half per cent. These economic indicators are encouraging.

L'amélioration de notre situation en ce qui a trait aux possibilités d'investissement est encore plus prometteuse. Selon des données publiées par The European Management Forum au mois d'août dernier, le Canada est passé depuis 84 du onzième au sixième rang des vingt-deux principales nations industrialisées pour ce qui est de sa position concurrentielle globale. Le Canada est passé au septième rang pour ce qui est de la stabilité politique et du bien-être général alors qu'il occupait le treizième rang en 1985. Pour ce qui est de l'efficacité industrielle, nous sommes passés de la douzième place en 85 à la huitième aujourd'hui. Juste une autre constatation, pour la troisième année de suite, notre économie a connu un rythme de croissance relativement sain. L'an dernier notre taux de croissance n'était dépassé chez les grandes nations industrielles que par le Japon. Et pour la première fois au cours de la reprise actuelle, les investissements ont contribué sensiblement à la croissance.

Clearly, colleagues, we are on the right track. The economy has grown. Investors have greater confidence in Canada and its future, but even with this encouraging progress much remains to be done. In the first half of '86 economic growth in Canada slowed from the rapid pace of the second half of the last year.

The economy was hit by unexpected developments abroad: slower growth early in the year in the economies of our largest trading partners, the U. S. and Japan; a sharp temporary rise in interest rates early in the year; large

currency fluctuations; and finally, as western Canadians know only too well, falling world oil and grain prices, the double whammy that has crippled in many ways the once booming economy of western Canada, to say nothing of pressures on the lumber industry and other natural resource areas.

Moderation in growth in 1986 was generally expected, but its extent and nature were not. This mainly reflects unforeseen events beyond our control. The effects have been felt in various ways in Canada. As a result of lower world oil prices, activity in the oil and gas sector has slowed to a standstill, and energy investment has fallen considerably.

As a result of developments in world grain markets farmers face the consequences of unfair pricing and subsidy practices conducted beyond Canada's borders. Combined with the historic and all-too-familiar regional disparities, these are the main reasons Canadians are not enjoying the desired degree of balanced growth which must be our objective. We've got a dichotomy growing in Canada. In some areas of the country strong, powerful economic development in growth; in other areas of the country strongly less so, and this is creating unfairness and tensions and imbalances, economic imbalances, structural imbalances, which we as First Ministers must address.

While economic growth in central Canada is still expanding, the west and Atlantic Canada have once again experienced setbacks. These economic developments are disturbing to all of us. None of us can be satisfied with these uneven results. This is the time to consider new approaches to regional development and disparities.

We must examine how our policies can be made more efficient, effective and sensitive to local conditions and local



opportunities. We must search for ways -- not for new ways of recrimination. We must search for ways to tap the best ideas from the people who live and work in the regions. These are the issues that we'll discuss, all of us will discuss in more detail when we touch on economic development later today.

Together I think we must rise to the challenges they pose and reach a common understanding of how Canada can come to grips with that. Despite the disturbing nature of these developments, and they are real, they're tangible, they affect us all, there's no use there being lower unemployment as there is, lower interest rates as there is, more jobs created, as is the case, if this wealth is being unfairly distributed across the country.

British Columbians and Newfoundlanders have a right to feel fairness in the evolution of our country, and this is a prime commitment of the government of Canada and all First Ministers. But we have made progress, and I think that we should take some pride, some modest pride in that.

There are strong, fundamental positive elements in the economy. The federal and provincial governments have made difficult and farsighted decisions to ensure a stable political and economic environment. Everyone around this table has contributed in a substantial way to an improving economic status.

In such an environment I believe Canada's economy is well positioned to achieve further gains. The economic progress that we have made over the last two years has been accomplished within a framework of prudent fiscal policies. The federal government made a commitment to three basic economic objectives in its Agenda for Economic Renewal in November of 1984: controlling the national debt; improving government

effectiveness and encouraging private enterprise. They remain the government's objectives, as I'm sure they are very high on the list of priorities of every Premier, every First Minister around this table.

From the outset the federal government has made it clear that fiscal responsibility is absolutely essential if Canada is to achieve sustained economic growth. I understand your governments share this commitment.

Résolu à pratiquer une meilleure gestion du déficit, le gouvernement fédéral a pris des mesures afin «de mettre de l'ordre dans ses propres affaires». Ces mesures ont donné des résultats concrets:

- en 1985-86, le déficit fédéral a diminué pour la première fois en six ans;
- les dépenses globales au titre des programmes gouvernementaux ont diminué pour la première fois en 40 ans et ce, par une marge considérable;
- et l'an dernier, le Canada est parvenu sensiblement mieux que les Etats-Unis à maîtriser -- dis-je -- à la fois son déficit et ses dépenses.

Quand il était de passage à Ottawa, à la fin d'octobre, le secrétaire général de l'OCDE, M. Jean-Claude Paye, n'a d'ailleurs pas hésité à dire . que les efforts déployés par le Canada afin de maîtriser son déficit étaient, et je le cite: «louables et, à plusieurs égards, impressionnants», fin de la citation.

The federal government must, and it will, keep to the course it has set on deficit management. It remains committed to the fiscal principles that formed the basis of its agenda for economic renewal two years ago.

There can be no alternative. Ottawa must simply get off the treadmill created by its growing debt. The federal government's accumulated debt relative to the size of the economy is proportionately larger than that of any province. This



means that for the foreseeable future, the federal government's room to manoeuvre will be seriously limited -- a direct result of interest payments on past debt.

Restoring fiscal health is a national challenge that affects all. If fiscal health is not restored, the federal government's ability to deliver vital services to Canadians will be severely constrained by spiralling interest payments.

However, it should be clear by now that we are not asking more of the provinces than we are of ourselves. The growth of major federal transfers to provinces has been, and will be, substantial -- outpacing the growth of other federal programs, with the notable exception of interest payments on accumulated debt.

Steady and balanced reductions in the deficit are a means to an end. They are necessary to achieve the kind of growing economy that will give all governments, everyone around this table, the improved ability to meet their economic and social responsibilities.

To achieve this end, we must complement our fiscal policies with measures stimulating new investment and increased competitiveness. This means we've got to continue encouraging the entrepreneurial spirit of the nation.

To further strengthen the framework for economic and social progress in this country, we will continue to make fundamental improvements in the tax system. In so doing, we will build on a number of actions taken during the last two years.

We've already taken steps to restructure

the corporate tax with a broader base, lower rates, fewer preferences and a generally simplified system. We enhanced the equity of the personal income tax system by eliminating a number of tax avoidance and deferral techniques and introducing a minimum tax. We also introduced the refundable sales tax credit.

By our actions, we have established a clear direction and I think, I hope, a strong momentum for the next stage of tax reform. The objectives of the broader tax reform that we are now undertaking remain the same: a fairer and simpler tax system; a system that promotes economic growth and opportunities more effectively; a system that helps Canada to compete internationally, particularly with the United States of America; a system that respects the unique characteristics of Canada.

Among those characteristics I would mention specifically the special needs of certain regions and sectors and the fundamental commitment of Canadians to providing help through the tax system to those most in need.

Nous avons dégagé les lignes directrices de notre réforme fiscale afin de faciliter les consultations avec les groupes et les particuliers intéressés. Ces lignes directrices portent sur un certain nombre de conditions essentielles, et également celles que j'ai déjà citées. En particulier, nous devons abaisser les taux d'imposition et réduire la trop forte proportion des recettes de l'Etat qui provient de l'impôt sur le revenu des particuliers.

Une fois la réforme achevée, la plupart des Canadiens auront un plus grand revenu disponible, ce qui n'est pas le cas actuellement. En fait, la plupart des Canadiens, espérons-le, jouiront d'une meilleure situation financière.

Mais je tiens par-dessus tout à insister sur un principe primordial: celui de la justice. La réforme fiscale doit faire en sorte que chaque Canadien paie sa juste part d'impôt. Nous devons diminuer radicalement les privilèges fiscaux spéciaux dont jouissent certains particuliers et certaines sociétés privilégiées qui ont non seulement créé certaines irrégularités, mais qui ont également faussé les décisions d'affaires et d'investissement. Dans les mois qui viennent, nous prêterons une oreille très attentive à ce que vous et tous les Canadiens avez à dire sur la façon d'atteindre ces objectifs très importants.



It should be emphasized that the federal government does not intend to act on tax reform without extensive consultation. I invite your views on this reform, and assure you that the provinces will continue to be consulted throughout the reform process.

In a matter of importance, consultation is essential to the success of the endeavour. Permettez-moi de conclure par quelques très brèves observations. Au cours des deux dernières années, mes collègues et moi avons insisté sur la collaboration et la consultation dans les relations fédérales-provinciales. L'harmonie se réalise au cours de longues, et parfois difficiles, discussions. Il a fallu que de nombreux ajustements soient apportés aux programmes et aux plans des deux paliers de gouvernement. Grâce au climat plus serein, les relations fédérales-provinciales pour lequel nous avons tant travaillé ensemble, des futurs ajustements pourront se faire, plus en douceur, et pour le plus grand bien de tous les Canadiens.

In making these adjustments, we've got to be realistic, building upon and refining the fundamental economic and social policies now in place in Canada. And realism demands that we set priorities.

We all know how difficult choices become in times of fiscal restraint, and it's not easy for anyone around this table, who has got to get up in the morning and begin the difficult process of choosing, with limited resources, as to how and what region. What region - - for example, we talk about the prosperity in Ontario, which is obvious, but even within Ontario for example, that prosperity is not fairly shared.

Northern Ontario is being hurt, whereas southern Ontario, relative to other areas of the province - - so we have

disparities within provinces, and it's not easy for any Premier, or any First Minister, to make these choices.

As I look around the table, I can't help but observe that some of you are quite new to your posts, as am I. When coming to office, the federal government inherited some serious fiscal problems and many of you were in similar circumstances.

The constraints which fiscal responsibility impose on the activities of all governments are real. The federal government must and will keep true to the course of deficit reduction.

Over the past year, our governments have been burdened, not only by fiscal constraints, but also by disturbing economic developments. Recent events have served only to emphasize that we live in a world where unforeseen events continually force governments to review and adapt their policies.

These events, which have dealt some of us some pretty heavy blows, have been the fault of neither the federal government nor the provincial governments. They simply reflect Canada's open economy and its vulnerability to the changing international environment.

Despite the fiscal and economic realities we all face, we know that much can and must be done to build a stronger federation and a growing economy.

Over the last two years, anyone can tell you that we have made substantial progress together, perceptible, palpable progress, in federal-provincial relations, progress on the renewal of our national economy, and I think some important progress towards social justice.

We have created an environment in which we can meet

the economic and social challenges of the '80's and the '90's, and I think with the kind of cooperation we have seen in the past, do so successfully.

But we know, and I'm sure that all Canadians agree that none of us can be complacent. Our task is clear. If we, as First Ministers, are to meet our national objectives; if we are to enhance the ability of Canadians to create a strong and competitive economy for the rest of this decade; if we are to do it with fairness; if we are to guarantee the notion of citizenship which is equality of opportunity, fairness for Canadians, irrespective of where we live, then we've got to build on the instruments and the strengths of Canada, and the progress that we have made.

And it's my hope, colleagues, that this working session of First Ministers will be another forum for seeking effective responses to share problems. Not miracles; we've found they don't exist, but important steps forward in cooperation and nation-building, and together I think we have the confidence and the resources to meet the challenges of an interdependent and very uncertain world, where the only thing that's certain is that Canadians have got to stand together and fight in a very tough and difficult international environment. Not only to preserve, but to create new wealth and new opportunities here at home.

So I thank you all, colleagues, for your cooperation over the last year. We've had many informal meetings and conversations. We've made progress in a number of important bilateral areas. We've solved, I think, a lot of irritants, and I suppose in the process have created others, and we'll

continue to work to resolve those.

So my thanks to you for your sustained commitment over the last year, and to you, Premier, for the excellent attitude and ambience that was created at our working dinner last night, and now I'll turn to the other Premiers for their comments, beginning with the Premier of Ontario, Mr. Peterson.



HON. DAVID PETERSON (Premier of Ontario):

Thank you, Prime Minister, and colleagues and I note your point Prime Minister, a number of us are new. But, if you also notice how this process ages so many of these people.

Four months ago Bill Vander Zalm didn't have a grey hair on his head and look at him now. Well, I lost this a long time ago Michael.

May I also say, on behalf of your colleagues, and I am sure they will all speak for themselves, Bill, how very grateful we are for your hospitality. And, how proud we were of British Columbia and Vancouver and indeed, of Canada, with the magnificent show that you put on this summer. It was showing off Canada's best to the world and we were all extremely proud.

Now I have got -- occasionally in my business -- I am sure it doesn't happen to you, I get sort of nasty letters from people complaining about something or other but most of them put on the bottom, "But I liked Expo and I liked the pavilions." So, it got me out of a lot of trouble. And I do congratulate you and your predecessor, Bill Bennett, for the great vision that you had in putting that all together.

Prime Minister, all of us sitting at this table have much in common, as you have said. And, in spite of the differences in a number of the regions, we have much in common, as well. And as Canadians, we have all come to realize that we share a unique set of values. Different provinces may prefer, at different times, different paths. But it's my strong conviction that we all seek the same destination. And that is a Canada with a vision to anticipate people's needs and the ability to meet them.

We have developed a common way of doing things. We have developed a Canadian way that contributes to a distinct

cultural and political identity. It's always been the Canadian way for our people to support each other, regardless of where they live, through such measures as regional development programs and equalization payments, through Medicare, unemployment insurance, student assistance and the Canada Pension Plan.

And that same spirit of fairness must be summoned to meet the new needs, such as specialized health care for an aging population, services for single mothers, and working parents, and that's why, Prime Minister, I was very pleased that this conference has followed up on your suggestion to make women's issues a full agenda item, I believe for the first time at a First Ministers' Conference.

We're very pleased that the importance of child care as a national issue has been recognized. We welcome a partnership that sees it as a national concern. Federal financial leadership and cost-sharing agreements are necessary to allow the provinces to assume their role in ensuring that quality child-care is available to all who need it.

Tomorrow, Ontario will put forward a proposal for a national conference of all Ministers responsible for women's issues, Ministers of Finance, and Ministers of Social Services to develop a comprehensive framework for federal-provincial cost-sharing for child-care.

Today, however, I would like to focus on how we can create the wealth necessary to meet the future needs of Canadians. And it is my belief that we can only do that by improving our ability to compete on a global scale.

We must compete by putting the most advanced technology in the hands of the best-educated and best-trained

workforce. We must compete by becoming more aggressive and skillful at marketing our goods and services to the world. We must compete by encouraging new investment.

Our economic outlook, as you say, gives us some reason for confidence but, at the same time, it gives us some considerable reason for concern. The current recovery has not benefited all Canadians equally. En dépit des signes encourageants, la prospérité économique n'est pas visible partout. Même Ontario, où le nord et l'est de notre province éprouvent le besoin de diversifier leur économie. Le protectionisme américain menace tant de ressources **tant de produits**.

Like their counterparts elsewhere, Ontario farmers have yet to fully recover from the 1982 recession. Just last year, Ontario farmers saw their income fall significantly.

Grant Devine has spoken eloquently and knowledgeably on this question on many occasions. Ontarians realize that we must do our share to generate economic growth for Canada.

Our ability to create jobs depends on our capacity to produce goods and services, and to sell them to the world. But Canada's share of world trade has decreased, and our range has narrowed. Since 1968, Canada has improved its market share in only 4 out of 70 manufacturing sectors. Our share has actually declined in 21 sectors.

World markets have grown and we have to catch up. We have enormous room for growth in the Asia Pacific market. In 1985 they imported \$497 billion worth of goods, more than the United States.

For every \$100 that Latin-Americans spent on imports in 1985, only \$2.00 came to Canada. For every \$100

that Europe spent, only \$1.00 came to Canada. Last year, Canada sent only 10 per cent of its merchandise exports to developing nations. The United States and Japan export proportionately about four times as much to these developing countries. Western Europe exports about five times as much.

Through trade negotiations now, we are attempting to secure our access to U.S. markets in the future. But that will not solve the problem of U.S. protectionism today.

Ironically, in the last six months, since Canada and the United States formally initiated free trade talks, U.S. countervail and legislative protectionist actions have affected roughly a billion dollars worth of Canadian trade with the United States.

Every indication we've seen indicates that the pursuit of a free trade agreement offers no relief from the current U.S. protectionist fever. Three weeks ago today, the chief U.S. trade ambassador, Clayton Yuetter reiterated that the United States government would not drop its tools of trade retaliation, such as the countervail clause that was invoked against softwood lumber, even if a bilateral trade deal is struck.

The reversal of their 1983 determination on softwood lumber demonstrates that U.S. officials will change the rules of the game if they don't like the score.

Just last week, it was again suggested that the auto pact be re-examined. The provisions of the auto pact that safeguard Canada's auto industry, also safeguards Ontario's ability to contribute to Canadian economic growth, and that's why it's vital that the conditions which we have provided in the past for thousands of jobs and billions of dollars' worth of production, be left in place.



We have to work to preserve access to the U.S. market for all of our goods and services while strengthening our ability to sell to the entire world. It was a Canadian, you will recall, who first recognized that the world has become a global village. Canadians must now master the global marketplace.

We're shifting from an economy that's evolutionary to one that's revolutionary. Change is sudden and change is continuous. Goods, services, capital are moving freely and swiftly about the world. Competition used to come from around the block. Now it comes from around the world.

Many countries are now exporting goods they once imported from us. Businesses are finding it is no longer enough to be national leaders in their fields. They must be international leaders as well, and that is why Canadians must develop a strategy to target the areas in which we can excel, and we must be flexible enough to develop new strengths on short notice.

Nations like Japan have shown that a well-educated, enterprising people backed by a commitment to research and development can prosper even without a resource base. Canada can gain a valuable edge by combining our wealth in natural resources with our wealth of human resources, the knowledge, skills and ingenuity of the Canadian people.

Our ability to compete depends on our ability to produce, but an OECD study found that between 1975 and 1984 Canada posted one of the smallest increases in productivity among industrialized nations. Our rate of growth in productivity was 0.6 per cent compared to 3.5 per cent for Japan, 2.2 per cent for France, and 1.8 per cent for Italy.

We have the potential to improve our ability to

compete. The question is do we have the will? We are going to have to as a nation make up ground on the basis of our brain power. We must take the lead in developing new technologies and applying them to forestry, agriculture, fishing, mining, as well as manufacturing.

We must encourage Canadians to develop their entrepreneurial abilities. Half of the jobs that will exist in 15 years will be provided by small businesses that don't even exist today, particularly in the growing service sector. We must export not just our goods, but also our knowledge and skills in order to eliminate a \$4 billion international deficit in trade in services.

We must improve our ability to market services in health care, in education, culture, environmental technology and finance. To reach our goals we must focus on research and development, higher education, and skills training. It's well known that our major industrialized competitors spend more than 2.5 per cent of their gross domestic product on research and development. Canada spends about half of that.

In 1984 the Canadian private sector funded about two billion of R and D activity. At least two individual American firms spend more than that alone. In terms of the percentage of our population engaged in research and development Canada places between Iceland and Ireland.

Shoestring budgets lead to shoestring results. Last year Canada suffered a high-technology deficit of \$12.6 billion, about three times larger than ten years ago. The Canadian Independent Computer Services Association estimates that we could have created about 180,000 more jobs if it was not for our high-tech deficit, and half-a-million more jobs could be at stake by the year 1990.

Now, Canada has achieved some success, and some very notable successes in some areas of technological specialities: telecommunications, remote sensing, computer software, and indeed others. But we do lag behind in critical areas such as biotechnology, advanced industrial materials, robotics, and microelectronics.

Canada is the only country in the OECD that suffers a deficit in the high-trade area in drugs, scientific instruments, electrical transmission equipment, communications equipment and components, office machines and computers, aircraft and automobiles.

It's my belief that we must recognize that a national strategy to strengthen Canada's capacity in science and technology will not result from the simple expression of good intentions or acknowledgement of the problem. All governments must work together to increase industry commitment to R and D, and use public resources to lever private-sector investment.

We need to improve technology transfer across our nation in all regions, and target R and D investment to maximize trade opportunities and job creation. We must reduce overlap and duplication, match our strengths across our provincial boundaries, and best apply the resources we have to the opportunities we seek.

Canada's strongest asset is its people, and in a global economy centered on knowledge and innovation, education is an essential raw material. But Canada's per capita investment in post-secondary education is less than it was five years ago.

Federal cuts in established program financing payments stand to cost all the provinces about \$1.8 billion in funding for post-secondary education by 1990. Those funding

cuts equal the total budgets of the University of British Columbia, the University of Alberta, the University of Toronto, McGill University and Dalhousie University all together.

Now, I'm not here to blame anyone at this table and to try to look backwards, but every one of us must share the responsibility for solving these problems. All of us must work to make Canada and all of its regions more competitive. Now, I realize, as the Prime Minister has said, that we can't address all of Canada's challenges at this conference today. Nevertheless, there are priorities in my view that call for immediate attention.

As a first priority towards building a national strategy on competition we believe Canada must set out to double its spending on research and development within ten years. As you know, the federal and provincial ministers responsible for science and technology will meet next month.

It is our suggestion that they be mandated to produce within six months an action plan to match the R and D spending of our major industrial competitors, about 2.5 per cent of the gross domestic product.

We believe that this action plan should be brought to a special meeting of First Ministers focused on the development of a coordinated national science and technology strategy. Canada cannot march to the music of ten different bands. We can move in harmony on this very important issue.

Si nous voulons être compétitifs mondialement, nous allons avoir besoin d'une structure d'impôts qui encourage l'investissement, le développement technologique et la création de l'emploi.

For that reason Ontario believes that any major proposed changes in the tax system must be accompanied by a



detailed analysis of its potential impact on Canada's ability to compete and create jobs.

I am heartened, Prime Minister, by your offers of consultation and working with the province as you're embarking on this major new and long overdue initiative, and I congratulate you and the Minister for the initiative that you've taken with respect to tax reform.

So these are some of the ways that we can work to improve our long-term ability to compete, but at the same time we've got to deal with the immediate threat to our access to the U.S. market. In my view, and I discussed it with some of my colleagues last night, no province can afford to ignore these protectionist threats.

The recent U.S. actions concerning softwood lumber stand to jeopardize one of Canada's leading economic sectors, and hurt some of the provinces extremely badly, particularly British Columbia. What is more, it could set a very dangerous precedent that could be applied against other parts of the lumber industry and other natural resource sectors.

Using the softwood lumber precedent today, the Americans could attack us on potash tomorrow, fish the next day, uranium the day after that, followed by oil and gas, wheat, hydroelectricity and other resource sectors. Let us never forget that we have a totally different system of land ownership and resource management than the United States.

What's at stake in the softwood lumber issue is nothing less than whether Canadian resource policies will be dictated by U.S. interests or decided by the Canadian people.

In light of the fact that U.S. protectionist pressure has grown since the free trade talks got underway, I believe that we must together recognize it's an immediate problem that calls for an immediate response above and beyond the current negotiations.

The recent U.S. congressional elections leave Canada with a limited window of opportunity to combat this aggravated new wave of protectionism. We must act now to point out to Americans the negative consequences of this protectionism, to themselves, to their best trading partners, and, indeed, to the entire world. It is my belief that they have the potential to turn back the clock as it was in the thirties - you recall the introduction of the tariffs - that could send the world into some very dire economic circumstances. We've got to persuade them that they must avoid a mistake that has the potential of having historic proportions if they continue on in a way that they might.

If we share that sense of urgency about the problem, I am hopeful that over the next two days we can together jointly work out a plan to counter the U.S. protectionism. Ontario would like to see a national partnership in which every one of us can work against these sentiments in the United States in a planned and coordinated way.

In order to do that, Prime Minister, I'd like to propose what I think are some of the elements of that strategy that we may be able to get agreement on:

1. We've got to recognize that growing U.S. protectionism is an immediate problem quite apart from any effort to obtain a long-term free trade agreement.

2. We must remind Americans that we are their best customer. We must remind Americans that trade with Canada provides them with over two million jobs. We must remind them that their

protectionist measures add to their own manufacturing costs and to their own costs of living.

3. We must work with our friends and allies in the United States on trade issues. Canadian businesses can marshall their U.S. customers and suppliers. They have equally great interest as we do in keeping the trade open and securing better access to U.S. markets.

4. Provincial governments can take advantage of their relationships with nearby states, their natural allies - governors, senators, congressmen. Our close relationships and common interests can help us in this issue and we have many, whether it's environmental issues, defense issues and you name it.

5. We must pool our resources as governments and work together with industry to establish better early warning systems to prevent trade irritants from becoming trade wars.

6. Mr. Prime Minister, your close relationship with President Reagan is an essential element of any strategy to combat U.S. protectionism. I hope you can use your good offices, as you personally see most appropriate, to work with the President to strengthen his resolve to stand firm against these new moves in the United States.

We must harness the energy of every government represented in this room in new and creative ways in order to eliminate this protectionist threat.

All of us seek the best for our provinces and for our fellow Canadians, in all regions and all walks of life. To reach that goal we must defend our established markets and at the same time compete for new ones.

More than four decades ago Stephen Leacock observed that "those who dream most, do most", and as Canada approaches the

next century we must summon the vision to dream, and the will to turn our vision into a reality.

Thank you, Prime Minister.

THE CHAIRMAN: Thank you, Mr. Premier.

I think, Mr. Premier, you've just also underscored the value of the annualized conferences and the common objectives we set, plus the public accountability of First Ministers' Conferences, in your very excellent reference to science and technology and research and development.

In the time frames in the previous -- we're now all of us dealing with a burden of debt and the interest on that debt. In the previous fifteen years when other countries were doubling their commitment to research and development, we were increasing our debt and we have today neither the commitment to research and development nor the result for it. All we've got is the interest on the debt. And I think that the point that you make, Mr. Premier, is an excellent one, which involves the accountability of these public sessions and the kinds of things that could have been avoided some many years ago. I thank you for your views.

Pourrais-je demander au Premier ministre du Québec, après une petite absence, de reprendre la parole, s'il vous plaît. Monsieur Bourassa, à qui nous souhaitons la plus cordiale des bienvenues.

MONSIEUR ROBERT BOURASSA (Premier ministre du Québec): Merci beaucoup, monsieur le Premier ministre. Je voudrais d'abord saluer notre hôte, le Premier ministre de la Colombie-Britannique, monsieur Vander Zalm, pour sa très chaleureuse hospitalité. J'espère vivement, de notre côté, que nous aurons l'occasion de le recevoir très bientôt au cours des prochains mois au Québec.



J'étais très heureux, monsieur le Premier ministre, que vous ayiez pris cette décision de donner une conférence fédérale-provinciale sur la situation économique, sur l'état de l'économie, et sur l'importance pour notre pays d'avoir un développement économique équilibré.

Depuis l'élection de mon gouvernement, s'est établi au Québec un climat plus calme qui a permis de normaliser les relations fédérales-provinciales, et d'amorcer un processus de consultation sur les conditions de l'adhésion du Québec à un nouvel accord constitutionnel. Il y a lieu de nous féliciter des progrès accomplis, jusqu'à maintenant, et de souhaiter que les discussions se poursuivent et nous permettent d'envisager des résultats satisfaisants.

Mais il est évident pour l'ensemble de mes concitoyens au Québec, comme pour l'ensemble de nos concitoyens canadiens des autres provinces, que le développement économique demeure encore une priorité très importante.

Au Canada, ce développement doit s'exprimer par une certaine redistribution de la richesse collective. Et cette redistribution de la richesse collective, elle implique une lutte aux disparités régionales. On est obligé de constater, monsieur le président, après quelques décennies d'efforts par les différents gouvernements canadiens, que la situation des disparités régionales est encore extrêmement préoccupante. Si nous examinons, par exemple, les taux de chômage de l'est du Canada, par rapport à ceux du centre ou de l'ouest, nous voyons que dans l'ensemble des provinces de l'est du Canada, les taux de chômage sont nettement plus élevés, on pourrait dire approximativement environ 13 pour cent pour les cinq

provinces de l'est, alors que le cas des provinces de l'ouest, ça se situe à environ 7 pour cent, 7 à 8 pour cent. Déjà une différence notable entre les deux régions du Canada, qui font partie d'un même pays, et qui doivent viser à cette redistribution de la richesse collective. A cela s'ajoute, à cet égard important, entre la situation de l'emploi de l'économie dans l'est et dans l'ouest, une autre différence au niveau des taux d'activités, c'est-à-dire de la participation des citoyens au marché du travail; il y a là aussi une différence énorme, alors que les provinces de l'est du Canada, vous avez un taux d'activité de quelque 60 pour cent, c'est-à-dire qu'il n'y a que 60 pour cent des citoyens de la population adulte qui travaille et qui se cherche un travail. Dans les provinces de l'ouest du Canada, et le taux est de 67 pour cent. Alors, non seulement vous avez un écart officiel ou numérique de trois à quatre pour cent, mais il faut ajouter à cela un écart important, très important au niveau de la participation au marché du travail.

Nous croyons, nous, au Québec, que la stabilité politique de notre pays, l'unité de notre pays, implique nécessairement que nous travaillions pour réduire ces disparités régionales, et implique nécessairement dans les décisions du gouvernement fédéral, cette situation dans les décisions du gouvernement fédéral implique qu'on tienne compte, quelque soit le type de décision, qu'on tienne compte des écarts grandissant entre l'est et l'ouest du pays.

Tout ceci doit également tenir compte, comme le signalait fort pertinemment tantôt le Premier ministre de l'Ontario, tout ceci doit tenir compte de l'avenir de la situation dans les négociations du libre-échange, de la nécessité

pour nous de négocier avec notre principal partenaire commercial -- partenaire commercial, qui comme on le sait, on est obligé de constater, est beaucoup plus économiquement puissant que le Canada, c'est un défi extraordinaire et important pour nous de devoir négocier avec un partenaire économique, dix à douze fois plus important que le Canada, mais c'est également indispensable que nous le faisons, précisément pour maintenir et pour accroître notre élan économique.

Nous constatons, monsieur le Président, qu'il y a quand même des améliorations, comme vous avez dit à l'occasion de votre exposé. Au Québec, comme tel, par rapport à l'an dernier, il y a eu une chute du chômage, et de même la croissance réelle qui est prévue de 3.5 pour cent, est une croissance qui est relativement encourageante. Mais totalement insuffisante. Totalement insuffisante si on constate la nécessité pour nous de favoriser la création d'emplois, pour toutes les régions et les classes de notre société, et particulièrement pour les jeunes.

Et par ailleurs, il faut quand même constater que cette situation, qui est encourageante mais insuffisante, est rendue encore plus difficile par les coupures qui s'annoncent au niveau des paiements de péréquation, au titre des paiements de transfert pour le financement de la santé et de l'enseignement post-secondaire, l'ensemble des provinces subira un manque à gagner de 8 milliards d'ici 1991-92, et le Québec seul, de 2 milliards, par suite de l'adoption de la loi C-96 en juin dernier. Ainsi le taux de croissance des transferts, pour les fins des programmes d'éducation et de santé, sera presque nul au Québec en 87 et 88 et négatif en 88-89.

If we are considering general equalization payments, we have to realize that in the case of Québec we had a substantial loss concerning those payments. It was a formal commitment which was given in the House of Commons in April '85, saying that all the provinces for the fiscal year 1985-1986 will receive at least 25% of what they got the preceding year. We were unable to get that amount. In the case of Québec, we are still waiting for 97 million which will respect that commitment of receiving for the fiscal year of '85-'86 what was committed, what was mentioned before.

Also, in the present negotiations on equalization payments, the additional amount which will be given to Québec and which is relatively modest, the total amount which will be given to the provinces is less than 200 million dollars, which is quite small compared with the drastic cuts which were decided by the federal government. Even on those grounds, Québec will receive about 28% of the total. Twenty-eight percent is not the 50% we were used to receiving. I think it's normal, with Québec representing 66% of the population of the provinces which are receiving equalization payments, that we should at least receive what we got in the past, that means about 50%, but we will get only 28%, which is roughly the equivalent of the contribution of the Québec taxpayer to the federal revenues. There is no net gain in practice. How could we say, with such a situation, that Québec is a privileged province?

Monsieur le Président, si nous examinons d'une façon plus macro-économique ou plus générale, la situation économique du Québec et de l'est du Canada, nous sommes menacés de nous retrouver, si nous ne le sommes pas déjà, dans un cercle vicieux. C'est qu'avec des revenus inférieures nous devons augmenter nos impôts,



qui sont nettement plus élevés que ceux qui existent au centre ou dans l'ouest du Canada. On n'a qu'à regarder notre niveau de la taxe de vente à Terre-Neuve ou au Nouveau-Brunswick, dans l'Ile du Prince-Edouard, en Nouvelle-Ecosse, au Québec, et regarder le niveau de la taxe de vente dans d'autres provinces, pour constater que nous avons des impôts qui sont plus élevés. Et parce que nous avons des impôts qui sont plus élevés. Nous devons en conséquence, parfois devoir augmenter les impôts pour compenser le manque à gagner, avec comme conséquence qu'il y a des diminutions d'investissement. Il ne faut pas oublier que l'est du Canada se trouve à avoir comme concurrence pour l'attraction d'investissement, le sud, qui est constitué par la Nouvelle Angleterre, l'état de New York, une région dont le taux de chômage est de trois à quatre pour cent, une région dont les impôts sont nettement inférieurs à ceux de l'est du Canada, et qu'il doit en même temps concurrencer les impôts des provinces de l'ouest du Canada. Donc, le Québec et l'est du Canada est plus ou moins encerclés, pour attirer des investissements, par deux régions qui sont capables, avec des impôts moins élevés, de les attirer plus facilement. D'où la nécessité, encore là, pour le gouvernement fédéral, dans les décisions qu'il doit prendre sur le plan fiscal ou sur le plan de certains contrats qui sont donnés, de tenir compte de cette situation particulière de l'est du Canada par rapport à ses voisins du sud ou ses voisins de l'ouest.

Le gouvernement canadien doit donc, pour atténuer ces écarts qui sont inquiétants pour la stabilité politique du pays -- le gouvernement canadien doit donc mettre en tête de ses priorités la réalisation de son obligation constitutionnelle relative à la péréquation, plutôt que de mettre en oeuvre de nouveaux programmes. A court terme, les modifications techniques apportées à la formule

de péréquation sont insatisfaisantes, et nous croyons que le ministre des Finances devrait réexaminer les dossiers pour que les provinces bénéficiaires de la péréquation soient assurées d'un traitement équitable.

Il y a un autre événement, monsieur le Président, qu'on peut signaler, et qui nous incite encore à être plus vigilants sur le partage de la richesse collective existant actuellement au Canada. Il y a cette réforme fiscale qui est annoncée par le ministre des Finances -- et réforme fiscale tout à fait justifiée en tenant compte de la réforme qui existe présentement aux Etats-Unis. Or, on est obligé de constater que dans cette réforme fiscale il y a de très bonnes chances, étant donné la concurrence américaine -- il y a de très bonnes chances qu'on doive augmenter les impôts à la consommation. Or, encore là, on doit constater que les impôts à la consommation des provinces de l'est sont nettement plus élevés, et que si on est obligé, dans la réforme fiscale, de mettre l'accent sur l'accroissement des impôts à la consommation, par rapport à l'accroissement des impôts directs, encore là, dans cette préparation de la réforme fiscale, les provinces de l'est du Canada vont se trouver dans une position défavorable. D'où l'importance de la participation des provinces dans cette réforme fiscale, qui apparaît nécessaire, étant donné notre situation concurrentielle avec les Etats-Unis.

Tout ceci pour conclure, monsieur le Président, qu'il est essentiel d'avoir une situation économique saine, comme vous l'avez d'ailleurs dit, d'une façon fort pertinente dans vos propos, si nous devons accorder une attention particulière à d'autres problèmes, tels que ceux reliés à la condition féminine. Les ministres responsables de ce dossier nous soumettront d'ailleurs un rapport sur l'égalité économique des femmes qui devra devenir,

au cours des prochaines années, une priorité pour chacun de nos gouvernements. Au cours de cette conférence, le Québec espère donc pouvoir contribuer au renforcement de la fédération canadienne en proposant les objectifs suivants:

- la poursuite des discussions en vue d'établir les conditions de l'adhésion du Québec à un nouvel accord constitutionnel

- l'accroissement substantiel des efforts de développement économique régional

- la poursuite de la réalisation de l'obligation constitutionnelle du gouvernement fédéral, en matière de péréquation plutôt que la mise en oeuvre de nouveaux programmes et la réouverture des arrangements fiscaux dans le cadre de la réforme fiscale

- l'équité dans le traitement des provinces bénéficiaires de péréquation en apportant à court terme les correctifs nécessaires aux propositions fédérales

- la participation active des provinces à la réforme de la fiscalité, tout en s'assurant de ne pas diminuer la présence des provinces dans le champ des taxes à la consommation

- et enfin l'inscription dans les priorités de chaque gouvernement des moyens à mettre en oeuvre pour permettre aux femmes d'atteindre la pleine égalité économique.

Voilà donc, monsieur le Président, les priorités du Québec pour cette conférence, et nous espérons vivement que nous pourrions faire des progrès utiles pour la réalisation de celle-ci.

LE PRESIDENT: Merci, monsieur Bourassa. Je tiens, tout simplement à souligner, en passant, que dans le domaine de la péréquation, si je ne m'abuse, les discussions se poursuivent; au niveau des ministres des finances, il y aura, je pense, une rencontre le 12 décembre prochain, en ce qui concerne ce problème épineux et toujours difficile. Merci de vos commentaires.

Pourrais-je demander maintenant au Premier ministre de la Nouvelle-Ecosse, l'hon. John Buchanan, de prendre la parole.

HON. JOHN M. BUCHANAN (Premier of Nova Scotia): Thank you, Mr. Prime Minister. First of all, may I join with my colleagues, in congratulating and thanking Premier Vander Zalm, for his hospitality thus far in this conference. I suspect that everyone will agree around this table that he is going to have quite a distance to go to match the first conference held in Halifax, and I really think it's going to be difficult for you to do that, but I hope you do try, sir.



May I also congratulate British Columbia on Expo 86. I was one of those very fortunate to be here for the opening of Expo 86. The kind of thrill that we all had to be Canadians on that day and to go through the various pavilions and to witness and be part of the excitement and the participation in that great national, but really an international event, which I suspect has made the news in every country in the world, and placed British Columbia, and therefore, of course, directly Canada with it, on the map in an economic-commercial sense, and in a sense of a place where people would want to visit.

May I also, maybe in a parochial sense, say how proud Nova Scotia was to participate in Expo 86. Although our pavilion was small, and though we had initially some criticism, we corrected some of the problems and for 90 per cent of the time during Expo, our pavilion was very, very well received, and we had a good percentage of the 22 million visitors who did line up to come into the Nova Scotia pavilion, and our partner in that event, the pavilion of Prince Edward Island, which was located next to the Nova Scotia pavilion.

I just wanted to tell you, Prime Minister, that there's no doubt in our minds that -- and we did, by the way, keep to the theme of transportation and communication. We indicated such notables in the history of Nova Scotia as Gigliamo Marconi, Alexander Graham Bell, the transportation end of it, the fact that Giovanni Cabota (John Cabot) had his first landfall in Nova Scotia, in Cape North, and Cabot Trail was named after him, and that's proof of that, and other very notable firsts that have occurred in Nova Scotia in the theme of transportation and communication.

But there's no doubt that Expo set a tone of

national pride and did generate a lot of national pride in Canada at a time when we needed it, and Nova Scotia was very, very proud to be a participant in that great national event.

Mr. Prime Minister, may I say at the outset that these conferences are very important, and they're very important because of the way they've been structured over the last few years, and I want to congratulate you on ensuring that these conferences are held yearly. I think it's very important that we get together on a regular basis to review what has happened in the past months, what's going on in the present, and how we hope to proceed in the future.

Regina set the tone for that, and Halifax, if I may say so, then set the tone for this conference here in Vancouver. The decisions that we made in Halifax we will now look at and we will see how we made out with those decisions, and how we proceed from now.

Just a few words about Nova Scotia, and the kinds of things we want to discuss in general terms, and maybe specifically at this conference.

First of all, may I say that there have been some economic strong points, positive points in the economic growth of Nova Scotia over the last few years. That's not to say there aren't some weak points. There are quite a few.

I just want to mention one point, one part of our economy, where there's a lot of light at the end of the tunnel, and it's the fishing industry. The fishing industry of Nova Scotia, and I suspect I think in Atlantic Canada generally, is getting stronger, and that's good, because it was very weak.

The fishing industry has its valleys and it has its peaks. Not too many years ago, we were really down in the valley, but we're now moving up to a peak, and we hope to stay on that peak for quite a while.

Prices are up, and catch is up, so generally, conditions are better than they were a few years ago. We do have some problems, and I am just going to mention them, in hopes that later in this conference we can discuss them more specifically, but quotas continue to be a problem. It's always been a problem, but the differences of opinion between, shall I say the bureaucrats and the fishermen, rather than narrowing, those differences of opinion are widening.

But sir, I want to at this point, ask you to pass on our congratulations and thanks to the Minister of Fisheries and Oceans, the Hon. Tom Siddon, because he has taken some very serious situations, situations that are difficult to deal with, and he has been able to handle them in a very equitable way. And those decisions he has made have been equitable, no question about that.

But in other disputes between fishermen and the bureaucrats generally, the decisions have not been equitable to fishermen, and I'm not going to get into details on that but there's no doubt that if the fishing industry is to continue to be strong and get stronger, those differences of opinion must be resolved, and in my opinion, they must be resolved in favour of the fishermen.

There's got to be compromise between the offshore and the inshore fishermen, and that can be achieved. It can be achieved if we rationalize the situation in an equitable and in a fair way, with reasonable discussion and negotiation.

Just a few comments on some other factors affecting our economy. As I say, we're not that pleased nor displeased with the economic growth in Nova Scotia. For instance, while our gross provincial product has increased in Nova Scotia and our percentage change is running around 7.6 per cent in 1986,

and about 7.5 per cent in 1987, that sounds good, and if you look at the figures, we're third, you're number one, and you're number two, British Columbia, and we're number three.

However, it changes dramatically, not dramatically, but it changes when you factor in inflation. When you factor in inflation, you see that the gross provincial product of Nova Scotia then drops, and it's behind the national because inflation is running higher in the Atlantic provinces than generally throughout the country. So even though our gross provincial product is high in terms of gross, it is not that high in terms of real.



And so our labour force, Mr. Prime Minister, is increasing in Nova Scotia, but unfortunately unemployment continues to be at a very unacceptable level. For instance, in terms of unemployment, in September, the Nova Scotia labour market performance strengthened, recovered dramatically from weaknesses of last year. Seasonally-adjusted unemployment for September decreased by 1 percentage point to 12.9 from 13.9, but in terms of national unemployment, that is totally unacceptable, and I know you agree with that.

The actual labour force has grown by 6,000 to 400,000; employment increased by 7,000 to 353,000, but unemployment continues at the level of about 45 to 46,000, but it is down by about 2,000 from the same month the previous year.

I think our most serious problems, of course, are in pockets of Nova Scotia, in northern Nova Scotia, and in Cape Breton, where unfortunately, real unemployment figures are not decreasing but are increasing, and I think you're aware of the reasons for that, and I'll cover some of those in general terms in a few minutes.

Youth unemployment is a very serious problem in Atlantic Canada. I know it's serious throughout Canada but it is even more serious in Atlantic Canada, and it's one of those areas that we just must address very, very soon.

On the income side, personal income in Nova Scotia, there has been a positive percentage change, and we have kept pace with Canada, with an approximate 6.5 per cent increase in personal income.

Exports are up. Consumer confidence continues to be strong, and those are good points, and we're pleased with those points. Employment opportunities in Nova Scotia, unfortunately, in the export side, have increased but they're seasonal and casual, in many instances, so it's not real, in

terms of seeing a decrease in unemployment. That decrease may last for two or three months, but not for 12 months or even 9 months, so there has been progress.

And the initiatives taken by the Government of Canada and by the Government of Nova Scotia have been most helpful, there's no question about that, that new policies that have been enacted over the last number of years, or implemented, have been most helpful.

So, Mr. Prime Minister, we are, as far as the general economy is concerned, we are making progress. We are --- in what you said in your opening remarks --- there is a national prosperity out there, there's no question about that, and we are sharing, partially sharing in that national prosperity, but we are not sharing it nearly at the level of say, Ontario, and most of Quebec and British Columbia and the Western provinces.

There are pockets in Nova Scotia and Atlantic Canada, but I'll stick with Nova Scotia, there are pockets where the word "national prosperity" is a bad word. It's just not there, and again, I'm specifically referring to Cape Breton, eastern Nova Scotia and parts of northern Nova Scotia.

Even though the gross provincial product has increased, we have a longer way to go in Nova Scotia. You've got to remember that even though there's an increase in GPP in Nova Scotia and in Atlantic Canada, that gap that we have to narrow is so wide that it's getting more difficult all the time and, in general, the economies of parts of Canada, are so buoyant and so strong at the present time, that that gap is widening, rather than narrowing, even though our gross provincial product is starting to increase at about the level of the national domestic product.

I am just going to make a few suggestions and then hopefully later on in this conference we can discuss them. May I mention the procurement program, which was announced by The Hon. Stewart McGuinness, the MP from Halifax; a procurement policy which we believe in in Nova Scotia. A policy whereby the Government of Canada will direct and increase federal procurement spending of about \$600 million over the next 4 years in Atlantic Canada. We buy that program; that's a good tool of regional development.

It's used by the United States and has been consistently used by them for years, and it works. They say that they don't have a regional development policy; they do have. They have it by means of defence spending, government spending generally, procurement programs, contracts of a federal nature.

And so we believe the Government of Canada must adopt a program of directing federal government spending in areas of high unemployment, and that means, of course, in areas such as Cape Breton, and we're working in that direction.

I'll give you one other example of that: Defence contracts are, at the present time being directed -- and I'm not objecting to this -- directed to the province of Quebec in the refit of destroyer escorts out of Halifax. I don't disagree with that, and I don't think the Premier of Quebec would disagree if two destroyer escorts were taken from the dockyard in Halifax and directed to the shipyards of the St. Lawrence River, to ensure employment opportunities at yards there, provided there was a destroyer escort moved from the dockyard in Halifax to the shipyards in Halifax for a refit job in Halifax. That's equitable, it's fair, and I think the Premier of Quebec has already indicated he would believe that would be equitable and fair. And that's the kind of direction, sir, that we would like to see the Government of Canada take, and I know you being the fair and equitable man you are, you would agree with the Premier of Quebec and myself when I make that suggestion.

THE CHAIRMAN: Mr. Premier, the video tape will determine the reaction of the Premier of Quebec.

HON. JOHN M. BUCHANAN: He was smiling when I said it.

THE CHAIRMAN: Was he smiling yes or smiling no?

HON. JOHN M. BUCHANAN: Smiling yes.

THE CHAIRMAN: I see.

HON. JOHN M. BUCHANAN: I understood that French smile, yes. Mr. Prime Minister, regional development policies, therefore, must be real. They cannot be artificial. They've got to have some real teeth behind them, and I think that kind of a direct program by the government of Canada would be real.

Now, there's another comment that I want to make in connection with the resolution of the Premiers, I think it was in August of 1985, where we said that where there's a conflict between regional economic development and commercial viability, regional development must take precedence.

There's no doubt in my mind if you're going to have a true regional development policy, then commercial viability, if it stands in the way, must be set aside in the interest of regional development because the strong chain of Canada will be weakened if we have weak links in the Atlantic provinces, and therefore you've got to set aside commercial viability in favour of regional economic expansion programs.

I'll give you an example of this. At the present time, and you're well aware of this, we do have a very serious problem in Cape Breton. We have a very serious specific problem with a company called Sydney Steel Corporation.



The only possible way that the government of Canada and the government of Nova Scotia can spend our money reasonably and in the interest of the taxpayer on modernization of that kind of a plant, if the plant has a market for its product; I believed for many years and continue to believe if you don't have a market for your product then you shouldn't be producing the product. But there is a market for the product. The market is Canada. The market is Canadian railroads. The market is Canadian railroads that run on rails that we can make at the Sidney steel plant, and yet here's the inequality of it. The inequality, Mr. Prime Minister, is that there are 12 to 1,400 jobs that are going to depend on modernization of that plant, and we've agreed to do that, and you have been most helpful in ensuring that that will take place.

On the other hand, the commercial viability so-called of C.N. has got to be set aside, and I don't believe it needs to be set aside, but if so it's got to be set aside in the interest of regional development in terms of Canadian National being told by the government of Canada that they must buy their rails from Sidney Steel rather than Japan and France and West Germany. It's as simple as that.

Canadian National requirements are about 100,000 tons a year, and at the present time they're buying over 30,000 tons, or say they will buy over 30,000 tons of those rails in countries other than Canada, and if you'll pardon me, Mr. Premier of Ontario, about 20,000 tons from Elgoma.

Now, you may say, well, fine, Elgoma is a Canadian corporation and Elgoma should share in C.N.'s purchases. Not so, because Canadian Pacific purchase 100 per cent of all their requirements from Elgoma. SYSCO gets not one ton of rail purchases from Canadian Pacific, and therefore, if we're

going to be fair and equitable, then Canada's national railway, C.N., must move in and help SISCO, help the federal government, help the provincial government, help the workers at SISCO by buying their rails from the Sydney Steel Corporation on a long-term contract to ensure the viability of that plant even though the work force may be cut down from what it has been over the last number of years.

In my opinion, that is true regional economic development and it is fair, and it is equitable, and I know the Premier of Ontario would agree with that kind of a fair and equitable plan because we buy cars from Oshawa, we buy refrigerators from Ontario, our televisions from Ontario, and therefore we don't think that you should pick up all of the C.P. orders and 20 or 25 per cent of C.N. orders for steel.

HON. DAVID PETERSON: How are you interpreting my smile, John?

HON. JOHN M. BUCHANAN: It's very positive, sir.

HON. DAVID PETERSON: That's what I love about you, John, you're such a positive thinker.

THE CHAIRMAN: Was that a yes smile?

HON. JOHN M. BUCHANAN: Yes, it was a yes smile.

HON. DAVID PETERSON: I'm warning you guys, don't smile.

HON. JOHN M. BUCHANAN: I learned once at a steer auction, Mr. Prime Minister, that if you put a bid in on a steer at a steer auction, then they watch you carefully, and if you nod your head or touch your nose that means you've made another bid.

So if you've smiled in a positive way, sir, it means that you acknowledge what I've said. Seriously, Hawker Siddley is another case in point, a Canadian corporation

employing many hundreds of people in Pictou County, and Canadian National are leasing and lease-purchasing cars in the United States of America, and not building them at Hawker Siddley. It's just another case in point where Canadian National, in my opinion, must be told they must buy their cars in Canadian-made plants, namely in this instance at Hawker Siddley in Trenton, Nova Scotia, or that plant is going to close.

We do not want that to happen. It must continue because Canadian National are using a product that Hawker Siddley can produce and produce well. So we're not asking, Mr. Prime Minister, for anything that isn't equitable and fair and in the national interest. We're simply asking for real economic development policies on the part of the government of Canada, and a direction to a Canadian crown corporation that it do its buying in Canada, and that it will do its buying in a part of Canada where we not only create jobs, but we save jobs.

Mr. Prime Minister, I've gone along, but I want to mention in the interest of the agricultural community the Feed Freight Assistance Program. My Minister of Agriculture, Roger Bacon, has told me that that program is absolutely essential to the farmers of Atlantic Canada, that it be escalated until such time -- not forever, because subsidies shouldn't be continued forever, but that program must be escalated for the next five years until we gain self-sufficiency insofar as feed grain is concerned.

Lastly, Mr. Prime Minister, and maybe more important than any of us realize around this table, youth unemployment. It continues to plague Atlantic Canada; the age group 18 to 25, chronic unemployment, and we've got to really start attacking it.

Mr. Prime Minister, new technology in my opinion is the answer. New numerical system computer training is going to be part of the answer, maybe a lot of the answer. The national training program, Mr. Prime Minister, is not working in Atlantic Canada. It may work in Ontario, it may work in metropolitan Montreal and many parts of Québec and western Canada. It does not work in Atlantic Canada because our private sector is so small, it is so weak in terms of the rest of the country that it does not work.

If you take \$2 million from our training programs and say, here, this is for the private sector, match it 50/50, we don't have a private sector to match it. That's why, Mr. Prime Minister, I want to congratulate you and the government of Canada on initiating the Atlantic Opportunities Agency because I think that is a vehicle we can use and you can use to look after training programs of a regional nature.

Take them out of the national sphere, make them part of the Atlantic Opportunities Agencies so that young Nova Scotians and young Atlantic Canadians will be properly trained in the jobs that I know will come to our area with new initiatives on the part of the government of Canada and our own governments.

But if they're not properly trained they will not get those jobs. We can train them, and we can train them under the auspices and the vehicle of the Atlantic Opportunities Agency.

So, Mr. Prime Minister, I look forward tomorrow to what I believe will be a sincere and meaningful discussion on women's issues in Nova Scotia, Atlantic Canada, and in Canada generally.

Lastly, Mr. Prime Minister, we do in Nova Scotia --



the part of Canada where North America really began, you know, the first permanent settlement. The first permanent settlement in North America was in Nova Scotia. So we claim to be the birth place of Canada and of North America.

I said once, you know, that the first settlers were in Port Royal in 1604 and the chief of the Micmac Indians told me I was wrong, and he was a pretty big fellow, so I acknowledged they were the first ones.

But, Mr. Prime Minister, we share your view of Canada. We share your vision of Canada. We congratulate you for your past support, your future support, and we look forward to a successful conference and a continuing partnership and a rapport with you and with the government of Canada.

THE CHAIRMAN: Well, thank you, Mr. Premier. I think for your regional economic package you got one-third from Quebec and a third from Ontario. We'll go the other third. You've done a good day's work. With your permission, colleagues, we'll adjourn for coffee for a few minutes and then begin with the Premier of New Brunswick. Thank you.

THE CHAIRMAN: Colleagues, I think we're all here and following the conventional order, I would now turn to the distinguished Premier of New Brunswick, who is a veteran dean of these events, and followed by the Premier of Manitoba, British Columbia, Prince Edward Island, Saskatchewan, Alberta and Newfoundland.

Avec votre permission, le Premier ministre du Nouveau-Brunswick.

THE HON. RICHARD HATFIELD (Premier of New Brunswick):  
 Merci, monsieur le Premier ministre.

First of all, I want to say to the host Premier, Premier Vander Zalm, how much I've already appreciated the hospitality of the people of your province being here in Vancouver, and I want to say again how much I really appreciate it. We get a lot of incidental things when we come to conferences like this, and I must say that I've got quite a collection, but one of my favorite prizes will be that wonderful Cowichan sweater that you gave us all last night. I really think that is one of the great examples of the artisanship of Canadians.

Prime Minister, I have a sense of deja vu. It was in British Columbia, sitting beside M. Bourassa in 1971 that one of the first and most important federal-provincial conferences was held. At that time we were struggling with an issue that most of us, but not all of us, most of us could not realize the consequences of the failure or the success of that conference. I hope that ten years from now or sixteen years from now that as Premier of New Brunswick I'll not be back here lamenting about what we should have done in 1986.

Prime Minister, I want to start off by saying that we have gone through a very difficult period in New Brunswick in

bringing about the management and control of our financial expenditures and of our deficit. I think that we adopted, first of all, a very firm commitment to succeed in our objective, which we set over three years ago, and we came up with a very creative approach to tapping that problem.

As the Minister of Finance has been explaining, my colleague the Minister of Finance, has been explaining to many of his colleagues how we did it. The fact is that we have achieved a good deal of success. Going through that process, however, one thing became very clear to me and that is that we were going to really have difficulty - not immediately. I'm not talking short term. But, we were going to have very real difficulties in meeting our constitutional responsibilities as a provincial government in coping with investment, in coping with social responsibilities.

The fact of the matter is, and I think perhaps that we came to the same conclusion very quickly and very close to the same time -- I'm not here to argue with you about the failures or the successes of many federal-provincial programs that have directed themselves at trying to deal with the reality that has existed for a very long time, and that is the reality of the regional disparity or the economic disparity that does exist with regard to the part of Canada, of which New Brunswick is a major factor, and all the rest of Canada.

I want to talk further and refer to it as the problem of Atlantic Canada. I remember, again, at another conference, an economic conference, federal-provincial conference, having outlined my views in a positive and favourable way with regard to the current regional development policies at that particular time - I think it was around the middle '70's. I remember saying that these programs are good programs and they can make a difference, but one thing that has to be added to it is the personal commitment of the

Prime Minister of Canada.

The problem is such, like so many other national problems, that it could not be put off to a line department, but had to have the personal involvement of the Prime Minister.

Prime Minister, I think if the agenda allowed for it, I, too, could give you a long list of problems that we have in New Brunswick where we need the attention and the support and the cooperation of the Government of Canada and of specific ministers in your government. But, again, speaking with experience, unless we do stick to the agenda, unless we do have a determination to demonstrate to the people of Canada that we're here to deal with Canada's problems -- and believe me, Prime Minister, there are no Canadians anywhere in Canada that understand better than the Canadians living in New Brunswick that our successes, our progress depends upon the strength of the overall total Canadian economy.



And therefore we are interested in what is happening, and we are not critical of what initiatives that are taken, that don't directly, and may appear not to be of any benefit at all to other parts of Canada, but initiatives that do, in fact, help to improve the overall Canadian economy.

There have been a number of initiatives that you have taken that have had very large sums of money attached to them, and it cannot be said, as far as some of those initiatives are concerned, that they had any real direct benefit. But I think that we in New Brunswick did understand, that it had to be done in the interests of the country, and if it was in the interests of the country, as I believe it was, it will eventually be in the interests of that part of Canada known as New Brunswick.

Prime Minister, as I said, I think it was one of the most encouraging things that have happened in my political career, when you came to the Atlantic Provinces and indicated that you recognized that we have been and that we are now, victims of economic injustice as far as Canada is concerned. And you indicated a determination to do something about it. And we are and were encouraged by the commitment of your government, as expressed in the throne speech, with regard to Atlantic Opportunities Agency.

As you know, you are meeting with us, it is your initiative. It is your leadership, it is your personal involvement that is, along with the other Premiers in the Atlantic Canada, that is giving us the real confidence that I think we need to face up to the very real problems we're going to have in the future in New Brunswick, and in the future of Atlantic Canada.

So I want to commend you for the way you have gone

about this, and I want to say that I am in complete agreement, that in developing this agency, and developing the dimensions and the programs of this agency, and responsibilities of this agency, we must not move too quickly. We must move, but we must move carefully, and it is going to take time, and the timetable is some time in the middle of the year to come.

And I do believe, however, that it is going to make a real difference, and part of the reason why I am so confident is because of your personal involvement and your personal commitment.

I do believe too, I must say to my colleagues from Atlantic Canada, that we have got to work together, we've got to cooperate within Atlantic Canada, and we have got to agree there are, as I said, many areas that do need attention, and I believe will get attention eventually and get resolution of some kind.

But we must work together in Atlantic Canada, with you and with your government, to really correct a wrong that has existed in our country for a very, very, very long time. And I do believe the instrument of the Atlantic Opportunities Agency is that instrument, and I do believe, and I am confident that we will be able to find solutions, and they will not be necessarily or exclusively in industrial development. They have to be, they have to be in the other areas as I've said that I recognize are clearly constitutional responsibilities of the provinces.

But we have got to, in order to attract investment and the new kinds of investment that are becoming available in our country, we must have real improvement in our educational structure in the province, and I'm talking about primary, secondary and university, one I'm very concerned about.

I'm also concerned about getting real improvements in the municipal infrastructure of our province, and real improvements in our capacity to transport, and real improvements in our ability to provide a comparable quality of health care for the people of our province.

Mr. Prime Minister, there is no question about it in anybody's mind, anyone who has made any kind of study of economic -- of means of attracting economic investment, they have always said that a good school, a good hospital, good community services are essential to attract investment, and that's where I think the real disparity, and the serious disparity does exist, as far as Atlantic Canada is concerned.

So, Prime Minister, I want to say that I am approaching this new beginning of trying to tackle a problem that is really a Canadian problem, but more specifically a problem that does exist in Atlantic Canada, and I do believe that while a number of things will happen, that the people in Atlantic Canada will, in fact, support the initiatives that we have taken under Atlantic Opportunities, and will not indulge in the kinds of arguments that have been going on, and that one part of this country is getting more than another part of this country, and more money is being spent in the provinces that have the largest populations than is being spent in the provinces that have the smaller populations.

We're not going to find any solutions to our future problems by arguing those old arguments. I can remember addressing this conference and pointing out statistically that under the policies then administered by Industry, Trade and Commerce, by far the vast majority of the money went to Ontario and British Columbia.

I have pointed out before, in discussing regional development, that more money is going to other parts and wealthier parts of Canada, relatively speaking, wealthier parts of Canada, than are going to Atlantic Canada.

Again, I say, though, that using these kinds of arguments and using these kinds of statistics are not going to solve our problem. I must say too, Prime Minister, that while I am extremely confident about the determination and about the sincerity of your commitment to really doing something about this issue of disparity that has existed for so long, that I do have to be concerned about what is happening in the rest of Canada.

Prime Minister, I think that your government has to give serious consideration to recognizing, as you already have as far as Atlantic Canada is concerned, that there are differences in our country, and that there are different solutions required to deal with different economic realities in different parts of this country.

It's almost impossible for -- I believe it is impossible for the government of Canada to design all economic policies that will in fact equally benefit all parts of Canada. I think your government has to give serious consideration to recognizing, as you have in Atlantic Canada, recognizing that there needs to be economic policies worked out between your government and the governments of the provinces of Ontario, of Quebec, of the Prairie west, of the Pacific provinces. I think these are the regions, the economic regions of Canada, and I think that if we can demonstrate that the idea of a special agency for Atlantic Canada does work, I think we should now -- and I'm very confident it will work -- we should now look at extrapolating that concept across this country.

I hope that the other provinces will really appreciate and understand what a significant move we have made as a result of your leadership as far as the Atlantic Opportunities Agency is concerned. It is not fully developed yet, but because



of the process that we've been going through and the personal involvement of yourself and the other Premiers from Atlantic Canada and myself, I think it is going to work, and I think it is going to be an example that will work in all of the other economic regions of Canada.

Prime Minister, as I said, there are a number of other items that I wish to talk about, but I will follow the agenda and discuss them at that time. Thank you very much. Merci.

THE CHAIRMAN: Thank you, Mr. Premier. When you mentioned your participation at the federal-provincial conference in 1971 it puts in perspective what you have seen and participated in, the evolution of Canada, and it's very encouraging for someone committed to the federal-provincial process, such as we've heard this morning from other Premiers, and I hope from myself, it's very encouraging to hear a senior Premier who has participated so long and hard in our deliberations over the years to give some compelling illustrations of fairness.

In a system like ours from time to time a given statistic or a given decision might have the attributes of unfairness. Clearly that's the intention in a federal state, and of the provincial Premiers, to be fair to all of your regions, and to try and develop that.

So I thank you, as I do the other Premiers for your observations, and I welcome Premier Pawley's contribution

HON. HOWARD PAWLEY (Premier of Manitoba): Thank you, Mr. Prime Minister. First I would like to join all my colleagues in saying how delighted and pleased we have been with the very hospitable British Columbia welcome. It's quite a change to move from the snow and the blizzard and the cold

weather of Manitoba and arrive here and have to seize an umbrella as you leave the airplane.

Mr. Prime Minister, it's been almost two years since the first of these meetings was held in Regina. In many ways the Regina meeting was a success, and that was very encouraging to us all around this table. I'd ask you to recall, Mr. Prime Minister, some of the comments that I made during the closing session of that meeting in Regina.

Here is part of what I said in February of 1985.

I quote:

"Mr. Prime Minister, in your opening statement yesterday you identified four key policy requirements for building confidence, for building renewal. The four requirements were harmony, consistency, predictability and stability. We have no trouble agreeing with each and every one of those principles. At the same time Manitoba believes strongly that another principle must be on that list. That principle is fairness."

Prime Minister, I distinctly recall you having indicated that you agreed that the fairness principle should not have been omitted from the federal guidelines list, that it would be added. I welcomed that indication, and I have since noted that the words "fair" and "fairness" have been used more and more frequently by federal spokespersons in the last year or so.

At our Regina meeting, I also stated that:

"The key test of the success or failure of this conference will be the action that we take to follow it up. For the people of Manitoba, one of the most important issues will be whether our province and our citizens are treated fairly by the Government of Canada in the future."

Prime Minister, you know what my views are on that question.

Many Canadians in other parts of the country were surprised at the anger and the disappointment in Manitoba and elsewhere in this country following your government's decision to award the CF-18 maintenance contract to Canadair of Montreal instead of Bristol Aerospace of Winnipeg.

The outrage, Mr. Prime Minister, was a genuine one. As you know, it was shared and voiced by all political parties in our province, by key business and labour leaders in Manitoba. The depth of Manitoba feelings about that decision, and our solidarity in responding to it, should not have been a surprise to anyone who understands our province or is sensitive to its history.

I don't believe our reaction was much different from the kind of reaction such a decision would have generated in another, smaller province or region - one which, like Manitoba, has worked long and hard to contribute positively towards the growth and development of Canada as a nation, which looks to a strong central government as being vital to protecting our interests - to safeguard the future of our children.

Prime Minister, as I said to you when we privately met a little over two weeks ago in Ottawa, the CF-18 decision, and its serious negative implication for smaller provinces such as ours, have to be, must be, Manitoba's chief concern at this conference. For us, they are at the heart of what this confederation

is supposed to be all about.

We are talking about the kind of province we want to build. We are talking about jobs, quality jobs, so our children don't have to leave the province of Manitoba to find the kind of life that they want to live with their families. We are talking about opportunities - the kind of opportunities many of our parents and our grandparents were seeking, and were promised, when they first arrived in Manitoba.

We are talking about building upon what they built - a foundation based upon hard labour, cooperation between business people and wage-earners and farmers and government. We're talking about that kind of community and that kind of commitment to Manitoba and to Canada. We're talking about pride. And we're talking about fair play.

I feel it is important for me to try to explain the reasons for our deep concern to you, to our colleagues, and to try to offer some constructive suggestions for rebuilding the trust relationship with the federal government that is so critical to us in Manitoba, and, I think, to national unity.

We know that Canada is a very difficult country to govern, and I recognize, Mr. Prime Minister, that you have many very grave and difficult decisions to make, and, yes, fairness is a very hard principle to apply. Sometimes it can be measured objectively, but sometimes it has to be judged in very subjective terms.

In fact, trying to achieve the goal of fairness as circumstances change is one of the central challenges of federal-provincial relations. It is, or should be, the main focus of conferences such as this.

The CF-18 was and is a symbol, a graphic symbol of the frustrations that we have felt over the decades, the traditional



frustrations of Western Canada. Seeing national policies, regrettably, inexplicably, to us, sometimes favouring the centre. Seeing our own prospects and priorities sometimes put second or lower, behind those provinces and regions, yes, with greater population and greater voting strength.

There's no need to list the traditional grievances of Western Canada, or, for that matter, of provinces on either side of Ontario and Quebec. That wouldn't be very productive, but what has to be said is that many of those grievances were and are legitimate and they haven't gone away.

This federal government promised to address them in a way that would be fair, would be positive, and perhaps for some parts of Canada that has indeed been the case. Our impression at this time is different. Two years ago this month our positive expectations were badly shaken by a federal decision to scrap a \$40 million federal industrial research facility in Winnipeg - the Institute for Manufacturing Technology, Science Place Centre. It still stands sharply empty.

There was a decision to suspend badly needed revitalization work on the port of Churchill, on the rolling stock needed to move grain through it. Later those decisions were looked at again, but the outcome in those cases still remains very much in doubt.

The Science Place Canada decision was particularly a troublesome one in so far as Manitoba was concerned, because it struck at the heart of our industrial strategy of the development of economic diversification. We felt it unfair, because other federal research and development projects elsewhere in Canada apparently went ahead. As I say, Science Place Canada in Winnipeg still remains virtually empty.

So, I share the concerns that were expressed a few

moments ago by Premier Peterson in respect to the need for ensuring that we develop an overall science and technology strategy pertaining to Canada as a whole.

When those decisions were announced, many Canadians remembered a time, two decades ago, when an earlier federal government ripped a hole in the industrial fabric of the economy by condoning a massive shift in Air Canada maintenance workers from Winnipeg to Montreal. I've seen figures which indicate that, in today's terms, that decision probably accounts for about 5000 direct and about 5000 indirect jobs - 10,000 jobs that could otherwise have been in Manitoba.

But despite that shift, Manitobans have continued to work hard in the aerospace industry. We've been proud of the progress that we've made in building up our aerospace industry in the province of Manitoba, the investors and the workers.

We worked to build up a world-class aircraft maintenance capacity. In the CF-18 competition we showed that we can compete with the best and win, strictly on merit. But what happens when we do? Faced with a political decision, the work involved is supposedly better done elsewhere, a judgment call based on criteria which seems to us to be close to rationalizations.

Prime Minister, you have heard business and labour leaders from Manitoba ask what that decision means for the future of Manitoba, whether it means we can expect fair treatment in the future, whether it means that whenever our province starts to challenge the established order, the federal government must intervene to keep the status quo from being significantly upset.

So often we've been told that economic decisions which favour some other region over Manitoba have to be made because of market forces. Here where those same market forces favoured Manitoba, we are told that there are other reasons why the decision must go against our province.

Laissez-faire economists have argued for 200 years that it is the invisible hand of the marketplace that ensures the most rational and most efficient allocation of human resources. It seems, however, that the Canadian market system has two invisible hands, the second based in Ottawa.

Let me be more clear. Our government does not believe that the so-called invisible hand of the market always

ensures the right decision. If our ancestors had been only concerned about market forces, the idea of establishing Canada, building it from sea to sea would have been abandoned long ago.

What we do believe, though, is that when governments intervene in market decisions they should do it on the basis of clearly defined guidelines, guidelines that are fair. So what can be done to deal with the concerns I have identified?

First, there are a number of particular issues between the Manitoba government in Manitoba which must be dealt with in the near future. Prime Minister, I'm hoping that we can confirm very soon a date for our bilateral meetings in Winnipeg to deal with some of those real concerns.

Beyond our specific concerns, however, I was pleased to hear the views expressed a little while ago by Premier Buchanan, and I look forward to views from other Ministers of means by which we can look for new and more credible systems of decision-making in regard to major public contracts.

Regional development ministers have had some discussions on this subject, but I would like to see a directed review of tendering and procurement policies, followed by some solid recommendations on new and a more acceptable mechanism that we, as First Ministers, could act upon, either at our conference next year or sooner, if possible.

One idea would be an independent commission, a monitoring group, a sort of ombudsman's office for major contracts. Certainly we for our part would be prepared to have our own purchasing policies in the province of Manitoba looked at as part of that review, and we think the private



sector should be fully involved directly, completely in such a review.

The overall objective should be to ensure that the rules are as fair as they can be to all parts of Canada, and that they're as clear and as well understood as possible in advance, so that all provinces, whether they be large or small, are assured of equity.

Where latitude has to be allowed for discretion by government, let that be spelled out more clearly, let there be reasonable room for consultation and debate before the decision is arrived at. One of our greatest concerns in Manitoba -- a decision like the CF-18 one not be allowed to happen again to us or to any other province.

Hard choices must continue to be made by the national government, by the provinces, but we should strive to ensure that those choices can be seen to be fair. We offer our cooperation in an effort to develop such a system, and would hope you would reciprocate.

Prime Minister, the federal government can also demonstrate its commitment to fairness by dedicating itself to early action on several of the other key issues that we'll be dealing with on the agenda today and tomorrow.

First, the fiscal arrangements and particularly that of equalization raised by Premier Bourassa. Manitoba faces significant, absolute decline in equalization support of some \$43 million, so I'm advised by my Finance Minister, next year, even after technical adjustments factored in, despite increasing needs. I believe that your own Finance Minister will tell you, Mr. Prime Minister, that Manitoba is the only equalization province facing a payment drop next year.

On the issue of tax reform, the Government of

Canada has stressed that fairness will be a dominating principle, and I commend you, Mr. Prime Minister, for that commitment, and that is encouraging to us, an overdue commitment that should have taken place many, many years ago.

We have suggested, however, that if the federal government is committed to making the tax system fairer, to ensuring that wealthy Canadians, large corporations pay their fair share of the costs of public services through their taxes, then they can signal that intention in a positive and convincing way by freezing the extra capital gains tax breaks for wealthier Canadians, and the corporation tax rate reductions that are scheduled to take effect, I believe, January 1st of next year.

Fairness to small provinces is an important underlying issue in the trade negotiations as well. That is why provinces have pressed the federal government to ensure that it fulfills its commitment to ensure full provincial involvement in the negotiations.

I know, Prime Minister, that we'll be having some discussion of trade matters in private. However, I do feel compelled to raise here the issue of the proposed drug patent legislation, to advise you that Manitoba does oppose it, and to urge you to reconsider that legislation.

Although the legislation would impact negatively on provincial governments which have Pharmacare programs, despite a short-term partial cushioning program, the greatest fairness issue here seems mainly to affect elderly and lower income Canadians who have benefitted most from lower-cost generic drugs in the past.

Surely the profit positions of multinational

drug companies should not be the main determinant of national policy in this situation. It has been suggested before that some of the same companies which stand to benefit under this drug patent legislation are the same companies which have been overcharging Canadian farmers for decades for fertilizers, for weed killers.

Fairness is also an important issue, of course, in agriculture, in the overall treatment of our farm producers. Fairness demands that the decision to commit substantial additional federal funds to deficiency payments, which we commend you for, Mr. Prime Minister, be undertaken quickly, and an early indication be made as to how and when those payments will be made to the farmers of Canada.

I have -- and I know that later Premiers Ghiz and Peckford mainly will be dealing with regional economic development as this affects smaller provinces, but I've expressed concern about data indicating an apparent shift of federal industrial support to central Canada.

I note that the Atlantic Premiers properly are encouraged by recent initiatives aimed at directing additional funds into their region, improving the coordination of development efforts there, and at the same time of course they've also expressed major concern about possible changes in the Unemployment Insurance Program, which could undercut the benefits of new federal measures.

I agree with some of the other Premiers who have emphasized the importance of full federal-provincial consultation before any decisions are made to reduce UIC benefits following the release of the Forget Commission's recommendations.

Mr. Prime Minister, I also want to refer you to the proposal which I put forward nearly six months ago, as a result of the meeting of Western Premiers at Swan River, Manitoba, for a special Conference on Western Economic Development and Employment Opportunities. While we were encouraged by the mention of the western diversification goal in your October 1st throne speech, we would hope for an early specific response to our conference proposal.

There have been suggestions that the federal government has done enough for Western Canada already, but I don't believe this view is held too widely.

I want to turn, finally, to economic equality for women a goal correctly defined in terms of the fairness principle, but a goal which remains a long way off.

The Government of Manitoba has argued repeatedly for a strong national action program to guarantee significant progress towards economic equality for women of Canada. For two years, we have proposed that this action plan include a national day care program, a program which could be funded at a reasonable incremental cost to the federal government, one which could be designed to include a differential cost-sharing formula to make the costs for the smaller provinces fairer.

That's the same kind of principle that used to apply under several other major national programs in the past. I am pleased that we will have the opportunity to discuss this proposal and others when we deal with this entire topic tomorrow.



In the interim, however, I would ask the Secretariat staff to circulate some background papers, position papers that we have prepared on economic equality for women, as well as on some of the other key issues that I have mentioned.

I would welcome the comments of other First Ministers on those papers later in the discussions, or in the weeks and months ahead. You will note that they all place major emphasis on fairness to small provinces, a concern which will be guiding our government's position in further discussions of trade and on the Constitution.

Mr. Prime Minister, when we met in Ottawa earlier this month, I said that for decades, a succession of Manitoba governments has taken much the same position as we have on the issue for smaller provinces within Confederation.

As a small province, we must rely on a strong central government to protect our interests. Premier John Bracken of Manitoba once said that. Premier Duff Roblin of Manitoba said that. Premier Ed Schreyer of Manitoba said that. Premier Sterling Lyon of Manitoba said that. I have said it in this forum and elsewhere.

I still believe very strongly that our traditional support for a strong central government, federal government, is the right position for Manitoba, for other small provinces, for Canada as a whole.

But through the CF-18 decision and some others in the past, the government has raised some doubts about that position in the minds of many in our province, where reliance on a strong national government has always been an article of faith.

This morning I have suggested several ways in which the federal government can demonstrate its commitment to fairness

and start rebuilding that sense of confidence again in the province and elsewhere.

I offer, as well, my own personal commitment and that of my government, to work cooperatively with the Government of Canada on these priorities which I think are essential and important, not just to Manitoba, but to the country as a whole.

Thank you, Mr. Prime Minister.

THE CHAIRMAN: Thank you, Premier. I suppose that any major decision carries with it the risk of pleasing someone and offending some others, and I don't quarrel with anyone's right to invoke the argument of unfairness.

It occurred to me, as I listened, Mr. Premier, that for example you were preceded, in terms of, if you want, a strong federal government and fairness, economic opportunity and so on, you were preceded by the Premier of New Brunswick whose unemployment rate in October was 13.9, and you're going to be followed by the Premier of British Columbia, whose unemployment rate is 12.1, and the unemployment rate in Manitoba this month is 6.9, and equal to Ontario as the fastest-growing and most prosperous province in Canada.

Manitoba is now forecast to lead economic performance among the provinces, with Ontario, in '87 and '88. We have got Premier Peckford coming up down here at an unemployment of 20.8 per cent, Premier Ghiz was heavily into the double digits and so I am not quarrelling with anyone's right to invoke the argument of unfairness.

But I think it's also fair to point out that relatively speaking, at 6.9 per cent unemployment, Manitoba -- the economy of Manitoba is throwing off very substantial benefits, in cooperation with the federal government. Over 32,000 jobs

have been created in Manitoba since September of '84, and we hope to cooperate with the Government of Manitoba, to ensure the creation of many, many more. That is our objective.

HON. HOWARD PAWLEY: When you refer to the national average of wealth in Canada, Mr. Prime Minister, 80 per cent of the national wealth figure, that's why we're an equalization province.

THE CHAIRMAN: No, I understand, no one is quarrelling with the notion of equalization at all, but that too is based on fairness, which is why, notwithstanding our own very difficult financial constraints, that the federal government, which is borrowing money to pay interest on past debts, is ready to enrich that formula, to be helpful to provinces who should receive equalization.

But I think, in relative terms, it is to be, I think, fairly acknowledged that Manitoba is doing infinitely better than most provinces around this table, certainly your predecessor and your successor at this table, and I think in fairness too, that is as a result of a great deal of cooperation that has gone on between both levels of government.

From time to time there will be instances, but if isolated and regarded only in that perspective, which can be construed as being unfair, but you know, the federal government stepped in, without any obligation on the agricultural side, for a billion dollars of aid to Western Canada, which was not construed as unfair.

I think Mr. Hatfield was referring to that. New Brunswickers benefitted very little, if at all, from that extra billion dollars that we didn't have, but we went out because it was being fair to Western Canada.

We did the same, if I may, and I know that Premier Getty is not, quite understandably, fully satisfied, but there was a substantial move made on the energy side to be fair, over and above commitments in Western Canada.

And you know, Premier Pawley, you talked about the nature of Canada, and you're right; fairness has to be there. When I was out there in Manitoba, defending the rights of Franco-Manitobans in Canada, you didn't quarrel with my sense of fairness or my sense of justice, and it's the same sense of fairness, nor did I with yours, sir.

It's the same sense of justice that motivates me today. Now, I acknowledge that from time to time in a federal state, there are going to be disappointments. They are not brought about as a result of malice. These decisions are made in the national interest; from time to time there will be satisfaction on one side, and I understand displeasure on the other.

But I think at the end of the day, when Manitobans, and you, sir, as Premier, look at what has happened in Manitoba, and you look at these numbers of 6.9 per cent unemployment, equal to Ontario, which is the most powerful growth area now in Canada, I think, that's a great tribute to what Canada has been able to do in cooperation with Manitoba, so fairness does apply. Although I will acknowledge that from time to time there are instances which give rise to criticism, and what we're trying to do is to correct it.

I feel badly when I listen to Premier Hatfield, and I know in terms of equalization, here is a Premier coming up, Premier Vander Zalm, with an unemployment rate of 12.1 per cent, and we're going to take money out of his pocket in British Columbia, to give it to Manitoba, in terms of equalization, to



be fair, to be even fairer, and I'm talking conceptually. I'm not talking in terms of dollar for dollar, so it's the fairness doctrine that Canada operates on that I know you're not challenging, sir, and I thank you for your comments, but I just wanted to make the notion -- to make the point that from time to time, there will be elements that will strike people as being unfair, but the country and the notion of Confederation has, I think, served us all well.

HON. HOWARD PAWLEY: You have made some unfair comparisons the last few moments, and I will discuss those later on --

THE CHAIRMAN: I will be happy to give you the time, sir.

HON. HOWARD PAWLEY: -- because you appear not to be aware of the relationship of Manitoba to average national wealth in Canada. It's well under average national wealth.

THE CHAIRMAN: Yes, I understand.

HON. HOWARD PAWLEY: And we don't have the resources of many other provinces, a small economic base, and I will be delighted to debate that and to discuss some of the points that you've raised later on during this conference.

THE CHAIRMAN: I will be happy to give you the time, sir, and I thank you for your observations.

HON. WILLIAM N. VANDER ZALM: Well, thank you, Mr. Prime Minister and colleagues. As a newcomer here I certainly have developed, considering what the demands I'll be making, of those that I've already heard, a better appreciation for the difficult task you face. I appreciate your patience, your sense of fairness, and your commitment to working towards common solutions.

In my words of welcome, Mr. Prime Minister, at the opening of this conference, I described this meeting of First Ministers as an opportunity for us to work together to foster an increased sense of unity and national pride across our country.

I see this as a priority task. If Canadians are to feel truly Canadian as opposed to seeing themselves simply as British Columbians, Manitobans or Québécois, it's important for them to understand one another and to feel equal within the framework of Confederation.

In my view, this conference should serve as a means to focus constructively on the issues, including those regional inequities that detract from the sense of equality we all want. By doing so we can together begin to develop a clear and accurate picture of the fairness and effectiveness of the Canadian partnership as it exists today.

It's with this aim in mind that I present a perspective of Confederation from here on the west coast. British Columbia's commitment and contribution to Confederation runs long and deep, despite the many longstanding and current constraints which we believe prevent us from playing an appropriate and full role.

These constraints include population distribution,

the weighted political advantage enjoyed by central Canada, a lack of British Columbian representation on national bodies, and the sheer physical and travel problems peculiar to those of us who live in this province.

You know, the geography of Canada is a strange thing from the point of view of British Columbia. While the maps show that Ottawa is 3,000 miles from our province, many of our people sometimes feel that we're three million miles from the nation's capital. It's almost as if we're looking at each other through different ends of the same telescope.

We see Ottawa without difficulty, whereas from the east British Columbia at times seems somehow diminished in scale and size, and as a result perhaps in importance. I make those remarks not in any spirit of rancour or bitterness, but simply in recognition of the facts, the way things are.

The reality is that British Columbia's commitment to Confederation carries a high price for our people and our province. In the past when demand and prices for our resources were high, British Columbia's buoyant economy was able to support the kind of west to east cash outflow, often at the rate of \$2 billion a year, which Confederation costs.

Today, as we try to rebound from the lingering effects of the 1981 global recession and in the face of only moderate economic recovery, our ability to absorb such costs has become questionable at best. It is in this context that British Columbia is seeking a new approach and a positive commitment from the federal government in terms of the extent of federal resources allocated to us as a partner in Confederation.

Mr. Prime Minister, your government and its policies

can wield enormous influence in the development of British Columbia's economy. Unhappily, some federal policies have proven detrimental to the growth of our economy and have had the effect of significantly draining capital from British Columbia to Ottawa. In addition to its tariff and deficit policies, the federal government has consistently reaped more income from British Columbia than it returns in the form of expenditures, investment and employment.

Examples of British Columbia not getting its fair share are not hard to find. Your government, Mr. Prime Minister, spends billions of dollars annually, approximately \$12 billion in fact, over the past five years through its procurement process. In 1985-86, of those billions of dollars, British Columbia companies and manufacturers received only 5.3 per cent of the major contracts, though we represent 11.4 per cent of the people in Canada.

Let me illustrate my point further. A review of the major federal shipbuilding contracts awarded between 1983 and this year shows they were worth about \$4.3 billion. British Columbia's share was only four per cent, despite the fact our firms are as competitive as any in Canada or North America.

The bottom line is that some overall semblance of equality and procurement should be developed in order for British Columbia to receive and see an additional \$300 to \$350 million injected into its economy each and every year. Spending by federal enterprises and crown corporations has also been less than equitable.

In 1979, and it's the latest data available, British Columbia got only 6.2 per cent of federal enterprise spending.



If B. C. got its fair share, the federal outlay in our province would have been \$400 million higher than in 1979. There are other examples. Federal government employment per capita is lower in British Columbia than all other regions in Canada, and as of December, 1985 federal employment in our province was 16 per cent below the Canadian average. If it was increased to that average, the result would be thousands of additional jobs and an increase of more than \$300 million annually in wages and salaries in our province.

In a province still trying to recover from the harsh impact of the global recession on its resource-based economy, that is a major consideration. All of these examples underline the importance of reversing the federal drain from British Columbia. Mr. Prime Minister, given these facts, and in order to help bring about stable and steady economic growth in our province, the kind that's long-term in nature, British Columbia is seeking an expansion of federal efforts towards British Columbia.

In this context there are a number of ways in which the federal government can enhance and strengthen British Columbia's economy. Such activities include a decision by your government to award the Polar 8 icebreaker contract to the west coast shipbuilding industry. This would result in an important technological transfer, as well as provide 900 much-needed jobs for our west coast shipbuilding industry.

A federal commitment to upgrade the Triumph Cyclotron facility in Vancouver. This project offers great promise of major economic and technological spin-off benefits in the future for British Columbia. Legislative changes by the federal government to foster the growth of Vancouver

as an international financial centre. Such changes first outlined in the 1985 federal budget, would enable Vancouver to assume greater stature as a prime financial centre in the Pacific Rim economy.

Federal cooperation in the upgrading and transfer of the Vancouver International Airport to the province, an objective which is integral to our province's plan for Vancouver's future as an international centre for trade, finance and travel. Changes to federal legislation to allow the establishment of special enterprise zones in which industries would not be subject to various tax and other regulatory measures.

Federal support for upgrading of the Trans-Canada Highway, as well as continued improvements to rail and airport facilities. Honouring the federal commitment to provide funds for construction of the Vancouver Island natural gas pipeline so British Columbia can begin to develop alternative industrial opportunities on the Island.

Mr. Prime Minister, there are many other issues which must be addressed, including the question of our province's representation in the major federal institutions, such as

the Senate, the Supreme Court and a host of federal bodies and commissions. The upper house in a federation is intended to represent the various regions of the country in national law-making, and to give clout to the less populated regions, thus providing a counterbalance to the rep by pop of the lower house.

Unfortunately, the Senate of Canada simply does not perform that role. Instead, because of its make-up, and the way senators are chosen, it merely confirms the power base of central Canada.

Mr. Prime Minister, senate reform is clearly long overdue, so there are really two sets of issues here: The allocation of a fairer share of federal funding and activity in British Columbia, and the need to work towards increasing our province's presence in the federal institutions that I have mentioned.

Mr. Prime Minister, my government has been given a strong mandate by the people of British Columbia because they support our commitment to a fresh start, and to develop a new cooperative approach in the way our province is governed.

We are moving quickly to make good on that commitment, but we can't go it alone. If we are to sustain job-creating, long-term growth in our economy, it's essential for the federal government to extend the hand of partnership by adopting a new approach towards British Columbia.

In this regard, our province is not seeking make-work projects, or temporary initiatives. Past experience shows these produce only makeshift solutions and fleeting benefits. Our province needs and wants viable, long-term projects, and your government, Mr. Prime Minister, can play a significant and positive role in making this happen.

I believe Canadians, no matter where they live, want to be part of a country that offers equal opportunities for employment and security in all its regions.

The federal government, which represents all Canadians, must therefore ensure that not only is there a perception of fairness in its treatment of our regions, but that fairness is, in fact, practiced.

However, while British Columbia wants a fair allocation of federal resources, I think the provinces must also examine their own activities. As First Ministers, we have to end the inter-governmental bidding that's taking place across Canada to attract private sector developments.

In our collective desire to win new industries, provincial governments across Canada find themselves engaged in a high-stakes game, in which grants, subsidies and tax breaks are being used to up the ante. I don't blame the private sector for taking advantage of such largesse, but it's taxpayers' dollars that are being used, and often wasted and squandered in this escalating competition.

In this regard, it's difficult to understand why the federal government channels grants and loans and subsidies and other benefits, paid for by tax revenues collected in all regions of the country, to the fastest-growing central region of Canada. This policy merely compounds the inequities because the fastest-growing regions obviously will attract more investment, in any case.

When the most prosperous and fastest-growing regions receive a disproportionately high share of federal grants and subsidies, and the country's major banks and financial institutions are located in and controlled by central Canada, the rich



tend to get richer and the poor get poorer.

Clearly, it is in British Columbia's interest, and that of other parts of Canada, to explore ways to redirect the flow of investment money which is resident and mainly used in central Canada. At the same time, we should intensify our efforts to increase inter-provincial trade and reduce those barriers that curtail economic activity.

As an example, British Columbia wants to develop a greater share of the low sulphur coal market in Ontario. At present, Ontario imports about 70 per cent of its coal from the United States, and 30 per cent from British Columbia, Alberta and Saskatchewan.

If the west-to-east freight rates were comparable with those from east-to-west, we'd see major benefits, in terms of job creation, increased income, more inter-regional trade, secure domestic coal supplies, and the encouragement of a viable Canadian coal industry.

Since becoming Premier of British Columbia, I have met on a regular basis with our province's representatives in the federal cabinet, and they're a wonderful group of people, and we've had great relations.

And Mr. Prime Minister, you and I have also had a number of meetings to discuss the concerns that I have expressed today. I welcome such meetings, and I am confident they will result in a concerted effort to bring about more equity in the distribution of federal resources.

For its part, British Columbia is anxious and willing to be part of the solution, and to take part in federal — provincial consultation on all the issues that we must resolve, including pre-budget discussions, tax reform, fiscal arrangements and other major initiatives. Our province wants to play an active role in the development of Canada, and we are committed to working towards that end in a variety of ways, including an enhanced British Columbia presence in Ottawa to improve liaison and communication.

That commitment, however, requires a serious and constructive response in turn from the federal government. Mr. Prime Minister, it is my hope that together at this conference we can begin to develop a process that will help ease the regional frustrations which exist here in British Columbia and in other parts of our country.

If we can, if we are willing to make a fresh start, and initiate a new approach in our relationship, we will make a positive and enduring contribution to national unity and bring about a renewed sense that no matter where we live we are all truly equal as happy Canadians.

Thank you, Mr. Prime Minister.

THE CHAIRMAN: Thank you, Mr. Premier.

May I turn and welcome the Premier of Prince Edward Island, Premier Ghiz.

HON. JOSEPH GHIZ (Premier of Prince Edward Island):

Thank you, Prime Minister. May I join you and my fellow premiers in thanking our host, Premier Vander Zalm, for his warm reception. I also want to congratulate British Columbia and the people of British Columbia on the achievement of Expo. Prince Edward Island was very pleased to play a part in the Expo celebrations and we are very gratified at the response given to our pavilion, and, I might add, to our favourite daughter, Anne of Green Gables. We hope we were able to make our contribution to an understanding and appreciation of the enormous diversity of our country.

Prime Minister, I have always believed that the diversity of our country is one of our greatest strengths -- diversity in our geography and diversity in our people. It is one of the principal factors in making us a nation unique among the nations of the world. It is the source of our vast human potential.

The energy and the desire to build a nation where equality is more than a byword, more than a catch phrase, more than an idealistic concept.

In my view, the diversity of our country is to be cherished and respected. It must never become a barrier to full participation in the benefits confederation can confer on the people of this country. And we believe, Mr. Prime Minister, that those benefits cannot be diminished by geographic, economic or political circumstance of an individual province.

They can only be determined by the measure of equality that we accord all our citizens as their birthright in confederation. We have enshrined our rights and freedoms in our constitution so that we are free to conduct our lives without fear of retribution from the state. We are equals before the document which defines us as a democratic nation.

There is another concept of equality which has not been addressed successfully despite decades of trying and millions of dollars expended in the effort.

I speak of equality of opportunity for Prince Edward Islanders, so that they may contribute to the economic and social well-being of our country. I speak of equality of opportunity which recognizes that the strength of our nation must derive from the strength of its constituent parts. I speak of the equality of opportunity that enables our people, men and women, to live full and rewarding lives in every part of this country.

We call the lack of equality of opportunity regional economic disparity. We can call it what we like, but the time has come to measure its effects in human costs to this country - a cost in dollars to be sure, but more importantly the cost to this country in terms of unrealized potential; the cost to this country in terms of fulfillment of the confederation

pact, the cost to this country in terms of generations of men and women denied full participation in the everyday life of this country.

Premier Peterson said earlier that we Canadians must use our brain power. Well, we in Prince Edward Island know that our greatest export over the past 120 years has been our brains. We want to keep them home. We want to keep Islanders home and allow them to earn a living and raise a family in Prince Edward Island.

Mr. Prime Minister, we need the help of our partners in confederation. We simply do not have the economic resources within our province to create that equality of opportunity, although we do have the will, the desire, the energy, the commitment, and, I might add, the ability as well, to finding our own solutions and making them work.

You have expressed the desire to try new approaches to creating equality. I thank you and I commend you. In Charlottetown we agreed on some basic principles that might guide a new approach by the federal government and we agreed on the principle that we who live in the region would play a determinant role in deciding what the Atlantic Canada Opportunities Agency which you have proposed would do and how it would do it.

This basic principle must be the cornerstone of any new initiative if it is to have any hope of creating equality of opportunity. The reality is that, despite all the effort and all the money, despite all the money that we have expended, the reality is that this country has never developed a coherent regional economic development policy. What we really have is an unfocussed dispersal of effort scattered across several line departments of the federal government. What we have costs the province far more than it should in time, effort and money to



to administer.

We've had to build a bureaucracy in order to service federal government programs in Prince Edward Island. For that reason, Prime Minister, I am of the view that the new agency must be the centrepiece of a coordinated and coherent economic policy that embraces all of the economic factors which create inequality for our citizens.

It is my view that regional economic policy is not just another sectoral policy without particular relevance to transportation, electricity costs, research and development, unemployment insurance or any other aspect of federal policy. The fact is that all these policies, and others as well, have a direct impact on the potential of a regional economic policy to be successful.

To be very candid, Prime Minister, I can see no particular benefit in helping industry locate in the Maritimes if it becomes impossible to land a competitive product in the marketplace at a competitive price, because in many cases the federal government has failed to satisfactorily address the unique transportation problems of our region.

I believe that this is the kind of coordinating role the new agency should play, to examine with the provinces in the region the impact of federal national policies and determine the inequalities which result when national policy is applied equally across the country without consideration of existing regional imbalance in its effect.

The two most important characteristics the agency must have if it is to function in a new way are these:

Firstly, it must be controlled by and represent a regional viewpoint developed within the region. I want to make

it absolutely clear that I am not talking about a consultative role. I mean that the new agency must provide the opportunity for those of us who live in the region to have a direct say in determining our future.

Secondly, the agency must have direct access to the highest levels of decision-making at the federal level. There is no point in simply creating another level of regional bureaucracy to deal with lower levels of the federal bureaucracy. That's a large part of our problem as things are now, and I'm heartened, Prime Minister, that you are committed to this concept as well.

The new agency must embody, in my view, some of the management efficiencies that it will demand of those seeking assistance from it. It cannot become bogged down in procedures and policies which sap its energy and waste its effort.

In addition, it is of fundamental importance that the agency's role be wide enough in scope to embrace all the relevant factors which relate to the development of our industries, whether they be resource based or transplanted into the region.

It is a reality for us that an increasing number of entrepreneurial enterprises will be in the service sector. It also happens to be true that most of the development of the new jobs is taking place in the service sector. The present constraints of industrial development programs fail to provide assistance for people in business in the service sector.

For instance, because women entering business tend to create new business in the service sector, present programs all but exclude women for qualifying for assistance. At present, we are denying ourselves access to a dynamic entrepreneurial force made up of women and we are denying our economy the jobs that could

be created.

I believe that the Atlantic Canada Opportunities Agency must be totally flexible in its response to job creation opportunities and to the type of assistance it can lend to existing and new businesses. That means having the resources to encourage and develop the practical experience, the creativity and the energy, of individuals and communities within the region.

It is also of fundamental importance that the agency be guaranteed the resources and the continuity it needs to do the job. We now know with certainty that the creation of equality of opportunity is a long-term undertaking. There will be no short-term turnaround. There must be some assurance that the agency not be perceived by our people as simply another set of initiatives operating under the same old bureaucratic mandate.

Prime Minister, I for one am not interested in narrow questions and political squabbles over jurisdictional rights to deliver this or that program. I am not interested in petty rivalries between provincial and federal authorities over who gets the credit for this or that. My objective and my agenda is simply stated. It is to do everything and anything in my power to create equality of opportunity for the people of Prince Edward Island. They are entitled to no less and they expect no more.

I believe that it is their right as Canadians and I believe it is my role as their Premier to bring their considerations and their expectations to this table.

Prime Minister, one of the joys of being a politician in Prince Edward Island is that you are able to maintain face to face contact with people. Unemployment ceases to become a set of statistics on a computer printout. Instead you are able to see the statistics as people, as Canadians, as

individuals. You are given the opportunity of confronting social and economic problems, not as abstract theories, but within the framework of day to day living. There is no way to avoid the responsibility of the trust placed in you as an elected politician in Prince Edward Island. You see people as people.

The reality must be addressed in terms of individuals and in terms of our capacity as an economic unit to generate the resources we need for creating equality of opportunity.

For example, our economy is a seasonal economy -- farming, fishing, tourism. These primary industries and their spinoffs employ Islanders on a seasonal basis. I would ask all of my colleagues to understand that our economy is based on farming, fishing and tourism. We do not have pulp and paper, potash, oil and gas or the other resources that are found in some of the other provinces.

The potential of our people to develop our economy will always be tempered with those basic realities of life. The potential of our people to generate a tax base that will allow a provincial government to increase its contributions to shared-cost programs is limited by that reality.

I would ask that you understand fully the impact the federal government places on the concept of equality when it shifts the financial cost of maintaining the minimum level of service to our people, whether it be in education, health care, transportation or support for the needy.



When it does this, Mr. Prime Minister, it strikes at the very essence of what it means to be a Canadian, it penalizes Canadians because of geographic circumstance, it erodes the quality of compassion in our Canadian society that makes us a distinctive and caring nation. It destroys the fundamental belief of our people in what it means to be a Canadian. It creates an institution of inequality.

The practice of the central government to make decisions which simply transfer its obligations with a stroke of a pen, without consideration or without thought as to the relative impact on the provincial economies has no place in a country in which the idea of equality of opportunity is a working principle.

Nevertheless, I'm saddened to say that this is happening all too frequently. Prime Minister, your government is making decisions on transportation policy, on treatment of young offenders, on shifting money from community colleges, on changing responsibilities for social housing, and we are being forced to pick up where your government has left off, without even being a party to the original decisions which created the programs.

Let me give you one more example because it's particularly disturbing to me, and I realize it has already been raised by Premier Pawley. We have the largest proportion of elderly people of any province in Canada. Most of them are retired from occupations which did not allow them to accumulate vast sums of wealth. They are good people, fishermen, farmers, labourers, homemakers, people who have worked hard and well through a lifetime. They don't have a lot of money.

The Government of Prince Edward Island, commencing

in January next, will help them pay for the drugs they need. I'm sure you are aware that the elderly find the cost of medication a crippling financial burden. Your government is changing the Patent Act. Those changes mean that the cost of new drugs is going to increase.

Our Minister of Health and the Minister responsible for Consumer Affairs has already written your colleagues objecting to the new Act. The Government of Prince Edward Island can't afford to increase its contribution to absorb this additional cost. The elderly have not developed any sudden financial capacity to pay more.

Mr. Prime Minister, the changes to the Patent Act may enhance the profits of the multinational drug companies, changes may increase the investment those companies make in central Canada, as your government has maintained, but I say to you, sir, and to my colleagues around this table that you would be hard pressed to convince a Prince Edward Island pensioner with modest financial resources that the concept of equality was being fairly applied in Prince Edward Island.

I say to you, sir, that it is not enough for us to come to this table as equal partners in Confederation if the practices and policies of the federal government do not recognize a fundamental fact of Confederation at this point in the nation's history. It is simply this: when the federal government applies a policy, raises the cost of a service, dumps the federal program in our laps, withdraws resources from a shared-cost program, when it does these and other things of a similar nature it calls into question the concept of equality which brings us to this table.

That is because Prince Edward Island does not have

the resources to pick up where the federal government has left off. Mr. Prime Minister, I have given my support to the basic concept of an Atlantic Opportunities Agency. I have endorsed your initiative in coming to my province to discuss the concept with the other Atlantic premiers. We have placed new hope in the concept. We have seen it as a new and innovative way to attack a problem of inequality that is generations old.

We must also recognize that the provincial, territorial and federal representatives are not the only players. Let's not promise more than we can do. We must acknowledge in word and deed in our institutions and programs the role of local governments, communities and individuals in achieving the objectives to which we have committed ourselves.

The challenge I put to you, sir, and to my fellow Premiers is this, that we, as the First Ministers of this country, find the way, provide the means, do whatever is necessary to make the fundamental principle of equality of opportunity a living, working, overriding principle in every deliberation we make, in every action we take.

Equality of opportunity is what has built this country. Sharing is what has made Canada. I don't want to have to say to a Prince Edward Islander looking for a job that he or she must relocate to central Canada. Equality of opportunity will allow young Prince Edward Islanders to work, raise a family, and live in dignity on Prince Edward Island.

When the federal government and the richer provinces share with the have-not provinces, they strengthen Canada. The erosion of federal funding to the have-not provinces discriminates against us in a very real way. It puts in jeopardy our ability to fund education, health care and

transportation.

Prince Edward Islanders have the same basic right to these services as any other Canadian. I passionately believe in the principle of equality of opportunity. Let's put our collective will into action so that we, in Prince Edward Island, can share in the wealth and the greatness that is Canada.

I thank you, sir, for this opportunity.

THE CHAIRMAN: And I thank you, Mr. Premier.

The Premier of Saskatchewan, please.



HON. GRANT DEVINE (Premier of Saskatchewan):

Thank you, Mr. Prime Minister.

I want to join my colleagues in thanking the Premier of British Columbia for Expo 86. The people of Saskatchewan thoroughly enjoyed it. We had almost 3 million people go through our pavilion, and it was great for B.C., it was particularly good for Saskatchewan, and as a Canadian, it made me very, very proud.

I just recently experienced what it was like to be on the campaign trail, and I can say to the Prime Minister, as well as to the Premier of B.C., that every town and village and farm that I went to in Saskatchewan was very, very proud of Expo 86. It provided a feeling of patriotism that I haven't seen or felt for some time, so again, Mr. Premier, thank you very much. Thank you to Bill Bennett.

THE CHAIRMAN: Can I interrupt just to tell the media, and ask them for their silence, please. We are going to go on and hear from the Premier of Saskatchewan, the Premier of Alberta, the Premier of Newfoundland before we break for lunch. So, I would ask that all of you, the doors be kept closed so that we can listen to the premier. Will you go ahead, please, sir?

HON. GRANT DEVINE: Thank you, Mr. Prime Minister.

What I found really interesting and meaningful about the Expo experience was that it became, in Saskatchewan, a symbol of what this country could be. We picked a target, we decided to work together to reach that target. We were in front of the entire world when we did it, so they could see our mistakes and see our efforts, but we did not succumb to the temptation of saying, "We can't."

We had the courage to go for it and to build and to show the entire world, and it was extremely successful for us, and it's a powerful symbol of what I believe this country is all about, and what it can be about, and I want to use that to make four points, Mr. Prime Minister, and I'll try not to be any longer than I have to be.

The four points will really cover the following areas: What is our national agenda? What is the relevance of international trade to that national agenda? Where is our future when it comes to the global village? And finally, how do we handle the day-to-day irritants that this country runs into all the time, and still stick with the target, so that we can get done what we have to get done?

Well, I'll begin with the first one, the national agenda. In my view, this country now faces a major and historic challenge today, as we speak, and in the days ahead. The fabric and the structure and the very glue of this country is going to be tested and is tested, it's on trial and it will be for some time, not only regionally, but nationally and internationally.

The number one threat to this country's health today is international protectionism, the unfair trade tactics of people around the world, and the collapse of prices and pricing mechanisms.

I would say at a minimum, Mr. Prime Minister, at least 25 per cent of all the jobs in Canada are now threatened by international protectionism, the unfair trading tactics and the collapse of not only prices but price mechanisms. And I'm not saying that to frighten anyone; I'm saying it because I absolutely believe it to be true, and I believe the more we study the international question, the more we realize that that's the case.

I thought about our discussions last night, and I thought if only the Canadian public could have heard us talk around that table last night, and to listen to the premiers describe what was happening to their communities, and their families, and their farmers, and their fishermen and their steel producers, and all the people that were being hit and hurt by international protectionism. You would see unions coast to coast, from the Atlantic to the Pacific, joined together and take it on, because every premier there identified the problem.

And it seems to me what we have to do at this table today is be as frank and as candid and as open with the Canadian public as we were with each other last night, because we heard about the irritants, and we heard about the problems, but we also recognized collectively, and I believe as David Peterson did today, the Premier of Ontario, where the problem is coming from and what we have to do to address it.

Well, in my view, it's extremely important that we address the problem as a nation, not just as Saskatchewan or as British Columbia or as P.E.I., but as a nation.

What I saw last night was the classic domino effect, as Premier after Premier described what was going on in this nation. The United States and other countries first started to pick on raw resources, and it started with fish and it started with farmers, and it started with commodities that we produce across Canada. And then it's moved onto the manufactured goods.

It started in the Atlantic provinces with fish -- salt fish -- and it moved to farmers, and it went to vegetables

and it went to potatoes, and it went to wheat and it went to pork, and it moved onto beef, and then potash and uranium and oil and softwood and steel and automobiles and manufactured goods and electrical projects, and tens of thousands of jobs all of a sudden were at stake as a result of what was happening; the domino effect hitting Canadians.

And maybe no one was listening when it was hitting salt fish, or began to hit agriculture products, but they're listening now, because every Premier, and every politician in this country is starting to recognize what's going on in the international world.

They may not have recognized it three years ago or two years ago, but they do today, and not only in the raw commodities and natural resources, but in every manufactured good that we ever thought about exporting.

Well, I was happy to hear last night and feel today, the understanding that was there, the sophistication and the maturity of the Canadian politicians and the Canadian leaders, to understand what the real problem is, and I appreciated the comments, and I appreciate them today, and I have taken the time, David Peterson, to read your papers that you presented in Detroit and in New York, and your observations today, and in my view, you're right on the money.

And if we don't address it directly, it's going to address us, and it is. I want to say also, Mr. Prime Minister, that we can't handle it alone. Saskatchewan cannot take on the U.S. Farm Bill by itself, and I don't believe British Columbia can take on the softwood lumber issue by itself, nor given the strength of Ontario, can they take on the U.S. government on an auto pact or anything else by itself, or any province in the Maritimes.



We have to collectively pick our targets and work together to make sure that we get the job done. My point is simply this: It's the largest problem this country has faced in decades. It's massive, it touches everyone, it's complex, it's standing in the way of what we want to be in the future, and I believe it's time for everybody, it's time now for everybody in this room, and Canadians across this country from one coast to the other, to stand together, shoulder-to-shoulder and realize what we have to do, and deal with it. Not deal with it alone, but deal with it together.

I believe that we've made some tremendous strides in dealing with some of the problems, and we have to recognize where we've been successful and where we haven't.

I can say that when the international problems started to hit agriculture, with your cooperation and the help of our colleagues, we put agriculture on the national agenda, and in Halifax, we asked for a national agricultural strategy so this country could pick it up and say "This is the direction that we're going", and we've worked very, very hard to get that done. And every province and the federal government have worked to come up with a strategy that would be meaningful for us to deal with the problems we face in Saskatchewan, with the problems we face in the Maritimes.

And as a result of conscientious efforts, this country now has the most powerful national agricultural strategy that it's seen in 25 years, if not ever. The best we've ever had as a result of that Halifax conference, and people across the country have contributed to it, and it is a plan, not only locally and regionally and provincially and nationally, but internationally, on how we are going to address the food problem,

and the agriculture problem, and the income problem, and the disaster problems, and the unfair subsidies and the trade. And I can list you the accomplishments -- I won't -- but you're familiar with them, both internationally, in terms of the Prime Minister of Canada dealing with it in Tokyo, or the Ministers of Trade dealing with it internationally, saying we have to have agriculture on the table at GATT in the new multi-lateral rounds. Very important.

The number one trade issue in the world is food and agriculture, and this country of Canada now has a national strategy that I believe every Premier in this room will sign, and we did it together. We said in Halifax we have to have it. We're going to address the problems we see in agriculture, not only locally and regionally, not only how much share you're going to get, but how are we going to build for the future.

Well, I use that as an illustration, Mr. Prime Minister, as something that we have to do, not only in agriculture, but we've got to do in trade, we have to target with respect to our future economic opportunities, and I raise the agricultural one, because it's taken a great deal of work, but it has provided us with not only a mechanism to deal with unfair subsidies, not only money, but an agreement that we can use together for research, for management, for farm finance and for international questions that are going to be extremely important for this country for years to come, and it's very, very important.

I want to say that secondly, trade itself, in my view, is going to be one of the most important things that we deal with in this decade.

I would just add one powerful point with respect to trade that I heard last night, and that I believe that Canadians have to hear more often, and that is we have to have unanimity when we decide how we're going to take on unfair protectionism and the subsidies and the collapse of prices and pricing mechanisms in the world.

And the more often we shoot at ourselves, and the more often that we fight among ourselves, the smaller the probability that we'll be able to fix it. And we have to have farmers from one end of the country together. And we have to have Chambers of Commerce from one end of the country together. And we have to have unions from one end of the country together. Politicians and the Canadian public together have to make sure that when we come out of the chute dealing with the trade problems and the trade opportunities, that other people in the world don't come back and say, "but you disagree among yourselves so how can you offer a solution".

That was raised by John Buchanan and raised by others last night, and I thought it was particularly appropriate, because you can't deal with the Maritime governors or the governors south of me or Americans or anybody else, unless you can get your own game together. I'm afraid I believe that's very important, that we speak with one voice.

Third, Mr. Prime Minister, there is no doubt -- and again I go back to Premier Peterson's paper, and I'm going to be releasing one today a little later on on economic diversification that I think fits with many of the things we've heard today -- that our future, and the future of jobs and the future of this country lies in the global village; that if we ever succumb to protectionism ourselves or if we ever fail to have the courage to go outside and to reach for those opportunities around

the world, we'll fail, and we'll get smaller and smaller and smaller and we'll end up being no more than a group of people fighting over a smaller and smaller pie.

Why can't I get my share? Why can't he get a bigger share? Why can't we get -- and the share will go down and the pie will go down. This country is young. It's been blessed with resources. It's been blessed with good people. It's been blessed with energy. We should never, ever be afraid to go outside, to go for the new opportunity, to educate our people, to be in all the markets - whether it's in China or whether it's in Japan or whether it's in any developing country.

In my view there's no choice. I believe we have to face it realistically, but we have to address it. And I will be glad to elaborate a few additional points when I get the chance.

Finally, I'd just point out, when it comes to our irritants I can only go back to the Regina Conference and to things that have been said today, that we will always have differences. It's like a family. We will have differences, but the key is how do you deal with the differences? How do you, as a sophisticated and a mature nation that has all these strengths and diversity, work together to not lose sight of where you're going, so that you can build and have a bigger pie and have more opportunities and still treat each other fairly?

I don't believe that we should ever let irritants set the national agenda, ever. Don't let them set the national agenda. Don't succumb to the temptation to letting them set the national agenda. We should be above that to the extent that we can say this is where the country's going, because people believe that we're strong enough to do it.

If we make some mistakes, or if we have local irritants or regional disparities or disasters because of drought



or whatever it might be, yes, we'll deal with them, but it will not deter us from going exactly where we want to go. And if we can do that as a nation, then I believe there's much that we can be.

So, I guess I would just go back and say a note of congratulations to the First Ministers since Regina and the FMC there. I believe that our idea of cooperating but being involved is very important. We have to look to a global orientation as a nation because we trade and because there's so much going on in the high tech and the new tech and the service industries. Diversification is very important, and if we do that we can include all Canadians, all Canadians, and we have much to do to include them all.

And I will be glad to offer more specific ideas on all four of those later in the conference. Thank you.

THE CHAIRMAN: Thank you, Mr. Premier. May I turn to Premier Getty from Alberta and thank him again on behalf of all First Ministers for his excellent work throughout the year in assisting all of us, in particular myself, in getting this conference on its way in such a relatively unscathed manner.

THE CHAIRMAN: Mr. Premier?

HON. DON R. GETTY (Premier of Alberta): Thank you, Mr. Prime Minister. First I want to extend a special welcome to Premier Bourassa attending his first Annual Conference since returning to public life. I know what that coming back is like. Also to Premier Ghiz and Premier Vander Zalm who are attending their first Annual Conference of First Ministers.

I also congratulate Premier Devine and Premier Pawley on their re-elections since our last meeting. I'm pleased to have this opportunity to continue our dialogue on the important issues facing our country. The fact that we met last November on the Atlantic coast and are here so many miles away on the Pacific coast this year underlines the vastness of this country, and the difficulty in governing it.

But meeting in different locations gives us an opportunity to become acquainted firsthand with the circumstances of a particular region and to understand the diversity of Canada. I am pleased that we are able to meet in western Canada and to enjoy the hospitality of Premier Vander Zalm and the province of British Columbia. Thank you, Bill, and the people who are working with you. It's the same hospitality that was enjoyed by the world during Expo 86 and made it successful.

I must say on a personal note, though, while I am enjoying the hospitality here in Vancouver this week, I'm looking forward to coming back next weekend to support an Alberta team in the Grey Cup. I get to thinking that if you wanted to see the B. C. Lions play again this year, you should come back to Edmonton with me this weekend.

HON. WILLIAM N. VANDER ZALM: Don't forget to bring your two litres of oil.

HON. DON R. GETTY: Prime Minister, the federal government's throne speech commitment to greater diversification of western Canada's economy is one we welcome in Alberta, and it's appropriate that we discuss it at this conference. I look forward to our discussions.

I also welcome on behalf of Albertans the selection of such a fine representative as your Deputy Prime Minister, the Hon. Don Mazankowski from Alberta, a person we admire and respect.

The topic of economic equality for women is a priority for Alberta. We will participate fully and support ways to enhance economic opportunities for women in Canada during this conference. I also wish to place our government strongly with you, Mr. Prime Minister, on your historic trade initiatives. To Premier Vander Zalm, Alberta welcomed your comments on Senate reform. We feel very strongly about it.

The triple E pin that I wear today for Senate reform provides hope and receives great support in our province. Now, because of our location I'm reminded of the pride we shared in the success of Expo, yet some of us represent regions or industries that in 1986 have faced extreme hardships because of international events.

Major resource and commodity sectors, like energy, lumber and agriculture are being threatened, and a large part by events and decisions outside our borders. In the energy industry in Alberta thousands and thousands of jobs have been lost and dreams have been shattered.

Our agriculture industry has also suffered, and our

farmers continue to face severe economic difficulties but, Mr. Prime Minister, I want to acknowledge the federal government's actions in helping to reduce farm fuel costs, in stabilizing producer income, in keeping our grain moving to markets, and responding to the effects of the international subsidy wars.

In Alberta our government has made a massive commitment of hundreds of millions of dollars towards reducing farm input costs in the areas of energy, that is, farm fuels, fertilizer and cost of money.

Agriculture is an industry that all Canadians seem to relate to. The health of the agriculture industry remains our government's number one priority. The roots of our province and also this nation were formed in the richness of our lands. When farmers, food producers suffer, we understand. It is a national concern and is recognized as such in the National Agriculture Strategy, for instance, the paper that is being presented to this meeting.

But we find it regrettable that other industries are not viewed in the same context. In Alberta the energy industry is being devastated. It is not just Alberta as a province that is affected. It is as a country we are facing a national problem. Today I wish to talk about how our system is not adequately responding to that problem.

Since the collapse of world oil prices at the end of 1985, that's less than a year ago, investment in oil and gas in Canada has plummeted. It's been slashed almost in half between four to \$5 billion dollars. This has meant a loss in Alberta of 25,000 jobs this year, and it appears more will come. These are jobs that are held by trained, skilled workers, drillers, geologists, geophysicists, roughnecks, the best oil



and gas finders in the world. When they're lost, they're almost impossible to replace.

But it is not only Albertans that have suffered. Thousands more jobs are predicted to be lost across Canada as the effects of this downturn filter throughout our economy. No region has been left untouched. The promise of offshore oil and gas has faded in Atlantic Canada and the north. Even in Ontario and Quebec where steel and heavy equipment manufacturers have traditionally supplied the oil and gas industry, we know the effects are being felt.

Also, and more seriously, in the longer term Canada's future security of oil supply has been dangerously threatened. We are probably the only western nation that could achieve energy self-sufficiency, and what a competitive edge for the future. As we sit here discussing national issues the clock is ticking; Canada is running out of conventional crude oil, and as Alberta's conventional crude oil runs out there will be no replacement for it unless long-term investments are made now to bring on new supplies, unless there is the right national response so that once again conventional crude exploration, heavy oil upgraders, oil sands plants, and fields such as Hybernia or Beaufort are developed.

In just four years Canada could be importing one-quarter of its oil needs, and it could get worse. By the mid-1990's two out of every three Canadians could be dependent on imported oil. Now, those who see the problem of low oil prices as only a regional one, forget the extent to which the oil and gas sector is essential to the Canadian economy. They forget the extent to which the energy sector has been an engine of growth for Canada.

This is a national problem, a national dimension, a national impact. I think it's fair to say it is the major problem in an economic sense that confronted the world this year. Canada's ability to respond to this crisis is a supreme test of our federal system.

Now, I know from working with them that Alberta's federal Members of Parliament have tried to draw national attention to the situation facing Canada, yet as thousands and thousands of jobs are lost in our province and a key industry is badly damaged, their efforts appear unable to stir the necessary response.

As a suggestion, consider what Canada's response might have been. When it became evident that a vital Canadian industry and a part of Canada was hurting badly, we would have liked to have seen the federal government quickly assess all the policy tools which would have helped, that are at its disposal. After all, that's what being a part of Canada is all about.

We would have liked to have seen the federal government consider how to help the tremendous loss of cash flow in our industry by restoring earned depletion, or by revealing the need for an increase in the investment tax credit for energy investments. Those two measures alone would have had a dramatic impact on the industry's ability to reinvest, to develop future supplies of crude oil and natural gas for all Canadians.

In fact, though, what was in the last federal budget was a reduction in the investment tax credit incentive in Alberta. That's a reduction. So not help, less help. I think our system must respond better than that. Mr. Prime Minister, we ask you that that decision be reviewed.

As a further means to help, the federal government might have taken initiatives through our national tax system by moving quickly and with flexibility to encourage investment in the energy sector by individual Canadians.

They could have been encouraged through changes in the tax system to inject a substantial amount of new equity into the energy sector, utilizing a vehicle such as flow-through shares.

Now, naturally, I've only, Mr. Prime Minister, touched on a few of the policy tools that could have been brought to bear on this national issue. I'm sure you could imagine other federal ministries, such as those responsible for economic development, regional development, employment and job training, could have moved quickly to provide significant assistance when a part of our country was hurting. This wasn't done and we ask why.

I'll deal with two answers I've received in some parts of Canada. One is that Alberta doesn't have a sales tax. I can't see how Alberta imposing a sales tax on a staggering economy and on a hurting people could help the Canadian energy industry. A second answer I receive in some parts of Canada is that you have a trust fund; spend your trust fund. I can't see how eliminating a trust fund that has been lent and invested all across Canada to many of the provinces here could help the Canadian energy industry.

As Chairman of this year's Annual Premiers' Conference held in August, I was encouraged by the strong awareness among provinces of our interdependence and a new commitment to help each other. I saw a willingness to address national problems from a national perspective, even when these problems affect one province or region more than another. The provinces are prepared to work together to address these issues, and we can do it, but we must work together with the assistance and cooperation of our

federal government.

I believe, Mr. Prime Minister, that you have made that commitment, and I applaud you for it. But during this time of adversity, Albertans cannot help but notice that issues such as the closing of an oil refinery in Quebec, involving 300 to 400 jobs, or the survival of an auto plant, or even a problem of an adjustment in an industrial manufacturing sector, get a great deal of attention. They seem to dominate the House of Commons.

Yet, the loss of thousands and thousands of jobs, and billions of dollars in investment, in a sector vital to the Canadian economy, seems to be seen as a regional problem. The system doesn't seem to respond.

Alberta has tried. We've moved quickly to respond to the crisis affecting our key oil and gas industry, in a variety of ways. We have taken initiatives totalling \$1.6 billion, including incentives for exploration and development, royalty tax credits, and most recently, major reductions in oil and gas royalties, as well as royalty holidays on new oil wells.

These measures provide immediate increased cash flow to many hard-pressed companies in the conventional sector, especially the smaller, Canadian-owned companies. But the measures are not enough to ensure that development of future domestic oil supplies for Canada.

Canada needs to expand its conventional oil production. We need new oil sands plants, new heavy oil upgraders in Saskatchewan and in Alberta, as well as development of offshore and northern fields. Canada needs these new sources of crude oil supplies, and Canada needs to stop the loss of jobs, the loss of talented people. We must actually create new ones, and we also need the technology and more balanced regional growth



that will come with the development of these energy projects.

Albertans are still waiting for a national response. They remember the billions and billions of dollars, approximately 60 billion, I don't think that's argued with, that they have contributed to other Canadians through federally-determined, not your government, artificially-low energy prices. Yet Albertans now feel discouraged and frustrated at the lack of meaningful national response.

And I want to be clear. I've congratulated the federal government before, and I congratulate them now on the Western Energy Accord. It was appropriate at the time it was signed, but it surely cannot be considered a response to the energy price crisis. Those principles established in the Accord were agreed to well before the current price drop.

Neither can the removal of the petroleum and gas revenue tax, PGRT, be considered a response. The PGRT was a wellhead tax on gross revenues. It was like a federal royalty on a provincial resource. It was unfair and discriminatory. No other industry has been forced to bear such a tax.

Can you imagine a federal tax, unilaterally imposed, which takes a share of each kilowatt of electrical power produced in Ontario or Quebec or a share of every tree harvested and sold from British Columbia?

Now, the removal of the PGRT has restored fairness, and we commend the Progressive Conservative federal government for this action. But Albertans are offended to hear some, in Eastern Canada, refer to the removal of this tax as an investment in Western Canada, or as financial assistance to our energy sector. It had to go.

So, in fact, there has been no direct national response to the energy industry during this crisis. Indeed, we

find ourselves in a situation that really does defy understanding, in that under our tax system, the federal government is taxing away from the industry, a large portion of our assistance programs that we have designed to help keep jobs and activity going, so that the federal government may be the largest single benefactor from our programs to provide jobs.

Surely our system has to respond better than that, and we ask you, Mr. Prime Minister, to review your government's decision on that matter as well.

Canadians are told that Canada cannot afford energy security, or that oil prices are governed by the world markets, and there is nothing anyone can do. Dramatic changes in that attitude toward the reality of the situation are needed.

All Albertans recall how quickly the House of Commons moved when prices rose suddenly. It is a frustrating paradox in Canada that when the west grows economically, central Canada participates in that growth, but when central Canada booms, the west is often left to fend for itself.

So, clearly our national institutions are not structured to respond to regional needs as sensitively as they should. In terms of political numbers, the west may be easy to ignore, but growing regional economic imbalance, as the C.D. Howe Institute recently pointed out, could weaken the fabric of Confederation, if it is not addressed seriously.

Albertans look to our federal system to be sensitive to the needs of all the provinces and regions. They want to be able to secure the benefits of Confederation, when they are being hurt.

Now, there is much that our system can do to respond to the current situation. We can work together to create an

environment conducive to investments. Our fiscal policies must reflect the unique problems facing the energy industry now, during this short-term period which we hope it will be, of low prices, but we have to do it now, during this period.

We can change them again if prices go up dramatically. But now we need a tilt in the playing field, so that the federal tax system can provide some of the incentives needed to ensure the development of new oil supplies.

Incentives must be provided to individual investors that can and have the will to invest; the tax treatment of the energy industry during this period of a problem with pricing at the very least should be equal to that of the mining sector. But beyond that certain factors, such as high risk, large amounts of capital and long lead times needed to bring new energy projects on stream must be addressed in the tax system.

The time for debate has passed. Dramatic moves must be made now. Remember, we are not requesting gifts or grants or payments from your budget. We are talking tax changes in the future during the time that we are hurting. Let me give you one more example, Mr. Prime Minister, and to my colleagues. All of you know about the potential of Alberta Oil Sands.

There are two plants there now, the technology is proven. Future plants are the solution to Canada's energy self-sufficiency. These plants have a long lead time. If we started one tomorrow it would take six or seven years to come on production, 1992, 1993, exactly the time when it is needed, but they aren't starting. They are stopping.

Syncrude has an expansion planned that will do two things. It will lower the operating cost of synthetic production to approximately \$12.00 a barrel. It will provide additional production for the rest of Canada. It will provide thousands of jobs. Now, Alberta doesn't need this expansion. The rest of Canada does. They've asked us for our help, federal and provincial; not a grant, not a gift, a loan, a well-secured loan that would only be used if prices fall below their current level. It wouldn't be necessary at all if they stay at \$15.00 and above.



But my Energy Minister is told there is no federal help, and yet this will not hit your deficit. The supply of oil is for Canada, but if it is to go ahead, Alberta must do it, not Canada? Does that make sense? If we do help, and we well may because it is so important to our country's future, who will we be helping by loaning the money?

One of the largest recipients will be Petro Canada, your crown corporation. Now, does that make sense? If there ever was a reason for a Petro Canada, and we've all participated in that debate, surely it is in the area of providing future supplies for Canada from non-conventional sources such as this expansion.

So, Mr. Prime Minister, I again ask you to review that decision of your government. I agree with you that this is a hard country to govern, but surely we can respond better than that.

In conclusion, I want to emphasize Canada faces a critical energy challenge; I repeat Canada, not just Alberta. Other parts of Canada, Alberta, and the energy industry require a better response. Last year at this conference I stated that all Alberta seeks is fair and equal treatment within Canada.

When we face a crisis of this magnitude we expect that it will receive national attention and response. In addition, when it involves the energy future of all Canadians, we expect that it will be elevated to a place of priority on the national policy agenda, and that our country, our system can move with the quickness and flexibility and sensitivity that is required.

I am looking forward, Mr. Prime Minister, to discuss with you the review of the three decisions that I've raised today.

This issue is of such importance that our province has developed a brochure that answers many of the questions many of you may have as to why this is such an important national problem. We are going to table this brochure for your information.

A healthy energy sector and energy self-sufficiency for Canada need not be only an Alberta dream. If we can make our system respond to the challenge, then it can be a Canadian reality.

Thank you.

THE CHAIRMAN: Thank you, Mr. Premier. I readily accept your view that we're not talking about an Alberta problem, we're talking about a Canadian problem, and I suppose to show you how the precipitous impact of the price decline -- I can't remember, but if you were to go back and look at some of those famous NEP projections you'd probably be talking today at 40 or \$50.00 a barrel oil, to show you how NEP -- show you how we have to adjust to new realities.

I just want to say, Premier, in thanking you, that in my judgment the Government of Canada was not doing Alberta any favours at all by getting rid of the PGRT and other things. They shouldn't have been there in the first place, and all we were doing was restoring a measure of fairness that had been -- the unfairness had been imposed on Alberta, should never have existed, and you're quite right, sir, in pointing that out because it was never in our mind. We weren't doing anybody a favour. We were just trying to restore a degree of fairness to Alberta and the producing provinces.

You point out, Premier Getty, a very important area that has left us troubled, and I'm sure Premier Peckford will refer to it, troubled and deeply challenged, and we have to respond as a nation to this energy dilemma which is before us with full force.

I thank you, and I ask Premier Peckford to be our last -- is it before dinner, Premier Peckford, or before lunch?

HON. BRIAN PECKFORD (Premier of Newfoundland):

The first shall be last and the last shall be first.

Well, we've heard a lot of comments already, Prime Minister, I have a few things to say I think which will be in theme similar to what a number of Premiers have said. Hopefully, I'll be able to put a little bit of meat on the bones.

A review of the state of the federation and the economy is obviously an appropriate focus and theme for our discussions over the next couple of days. A strong federation depends upon a strong economy. This has always been the case in Canada, and we are reminded once again by growing imbalances in the Canadian economy of the tensions and strains on the Canadian federation which are produced by these economic forces.

You are no doubt aware, Mr. Prime Minister, that this was a major theme at the Premiers' Conference in Edmonton. The Premiers concluded at that time in August that the economic recovery has been uneven across the regions of Canada, and that national efforts to address regional economic disparities must be renewed.

Your government also, Mr. Prime Minister, has recognized the growing dimensions of this critical national problem. The October 1 Throne Speech accurately observed that, "regional disparity remains an unacceptable reality of Canadian life". Beyond this, we must all recognize not only do the disparities remain, but they have widened, and that our national effort to solve this problem has weakened.

Full recognition and acknowledgement of these unpalatable facts must be a key ingredient in stiffening our national resolve and purpose to solve the problem. Our concern with economic growth is a reflection of our concern, as I think

Premier Ghiz accurately said and eloquently said, with the hopes and needs and aspirations of the people we represent. This must be a Canadian imperative.

The optimism and confidence which the favourable national economic performance has generated has tended to cloud and obscure the fact that recovery of the Canadian economy is regionally concentrated. The major focus of my comments today will be that, as Canada emerged from the recession, the recovery and the policies which supported it, increased the regional concentration of economic activity in Canada.

Generally speaking, the economic recovery in Canada has been concentrated in the central manufacturing sectors and regions. There is little evidence of economic recovery in Canada's commodity or resource producing regions and sectors. This development has been recognized by such independent agencies as the C.D. Howe Institute, as Premier Getty has just mentioned, and the Economic Council of Canada. These agencies have recently turned their attention to this problem, and the threat which the regional concentration of economic activity poses to national unity.

During the recession, the resources and policies of the federal government were focussed on alleviation of the effects of the recession on the manufacturing sectors and regions. I am thinking particularly of the Industrial Regional Development Program, IRDP. We have a totally untenable situation where per capita, per capita, IRDP components or commitments in Ontario are twice as high as they are in Newfoundland and Labrador - twice as high per capita.

This from a program which was designed as a regional development program for the less developed regions of the country. As we see, it has been totally subverted to an industrial



assistance program for the already highly developed regions.

We are now in a period where circumstances dictate a new policy focus. In the early 1970's Canada adopted an energy policy, and more recently during the recession re-directed IRDP expenditures, specifically to assist the manufacturing sectors and regions. The cost of these policies has been significant and was carried by all Canadians. Now, when Canada's resource/commodity producing regions and sectors are in trouble, may I use the words again, fairness and equity demand the appropriate refocusing of national economic policy.

If we are unsuccessful in this effort, the increasing regional and sectoral concentration of economic activity has the potential to undermine national unity and to erode the strength of the Canadian federation.

Let me also address an issue which is continuously raised by critics of regional development policies - I hear it all the time, I read it all the time - aimed at basic structural regional disparities in Canada. These critics, and there's a lot of them around, argue, without the facts, that these regional development policies have not worked; that regional disparities have not been reduced, and, therefore, the traditional regional development policies have been a waste of public resources.

In my view this is an expedient and shallow argument that has been used to rationalize the shift of federal budgetary resources away from regional development policy and towards an industrial assistance policy. We argued and argued over the last two years with Mr. Stevens, all of the regional economic development ministers, that what you are doing with this set of principles that you wanted us all to agree to, that it would lead to industrial assistance away from regional economic

problems and that's what's happened.

Furthermore, Prime Minister, I would like to stress that, despite the rhetoric, that spending more money has not solved the problem. It is clear that Canada has spent relatively little to solve its regional disparity problems.

One of the clear findings of recent work by federal and provincial Ministers responsible for Regional Economic Development is that over the past twenty years the resources applied specifically to regional economic development have been small in relative terms and thinly spread. A further finding from that work is that the regional development efforts of the 1970's were effective - it has been proven - and successful, in the context of the level of resources applied to them.

And let me prove it to you: For example, over the period 1972 to 1979, when these regional economic development programs were in place, joint cost-shared programs between the federal government and the provinces, our province grew by about the same amount as the national economic output, 31 to 32 per cent. Newfoundland grew between '72 to '79 at the same rate as the national economy.

However, if we look at the economic performance over the period '72 to '86, we find that economic growth in Newfoundland at 37 per cent was dwarfed by growth in the national economy, which was 53 per cent, because of that lessening commitment to regional development.

This is a graphic illustration of the effects of the diversion of federal regional development resources away from less developed provinces like Newfoundland and Labrador and into the central manufacturing sectors and regions of Canada.

I have dwelt on this point for some time because I want to dispel the myth that past regional economic development

policies and programs were ineffective.

The diminishing federal budgetary commitment to regional economic development must be arrested and reversed. For example, total federal budgetary expenditures have more than doubled since '79-80. Total federal budgetary expenditures have doubled since 1979-1980, but federal regional development expenditures in our province are at the same level as they were in 1979-80.

So, while the federal budget totally went up double, the amount of money for regional economic development in Newfoundland stayed the same as it was. There has been no growth, and, if we include the inflation factor, there has been a considerable shrinkage.

Now, Mr. Prime Minister, I have taken the time and my people have taken the time to show you what has happened. I am going to circulate a couple of charts. This chart I have in my hand shows, the top line shows the money that has been spent on RDIA and IRDP expenditures, those two programs which are supposed to be regional economic development programs for the less-developed regions of Canada, for the have-not provinces.

That line there shows it going up. Here's how it's increased: '76-77, '81-82 and '84-85 and the graph shows a large increase in the amount of money that the federal government has put out to those two programs. The next line shows how much of that went to Ontario and Quebec. The yellow shows what was left for B.C., what was left for Alberta, what was left for Saskatchewan, Manitoba, PEI, New Brunswick, Nova Scotia and Newfoundland. In other words, almost all of it - that yellow was what was left - just about all of it went to Ontario and Quebec. Out of the two programs which have been designed to help the have-not provinces, just about all of it. The yellow that was all that was left for the other eight provinces.

And even if you put the GDA's in, the General Development Agreements, which are another one, you'll still see. This bottom line, by the way -- sorry, that bottom line here is the growth in the Newfoundland expenditures on regional development. A level line. No growth whatsoever. The growth totally from the federal government goes up and where does it go, it goes to Ontario and Quebec, and ours is no growth.



And even if you put the GDA's in there, which are designed specifically for have-not provinces, you'll find not as startling or dramatic a problem, but still a problem.

It is in this context, Prime Minister, that I am studying carefully your proposal to establish an Atlantic Canada Opportunities Agency. I must, at the outset, register the caveat that it would be wrong to assume that the economic opportunities and problems, or their solutions in the four eastern-most provinces of Canada, are in any way homogeneous, except that they are all very serious.

My colleagues, Premier Hatfield, Premier Ghiz and Premier Buchanan and I have already met with you on one occasion to discuss this new agency, and we will be meeting with you here again in the course of our deliberations in Vancouver.

The new Atlantic Canada Opportunities Agency has the potential to be a bold new step in regional economic development policy in Canada. I view this new agency in much the same light as other initiatives taken by your government, such as the removal of the PGRT, or the establishment of a \$1 billion agricultural assistance program for western Canada.

If we are serious in our quest to establish an Atlantic Canada Opportunities Agency, we must realize at the outset that it will require a proportionately similar budgetary and political commitment. If that agency is to be successful, Prime Minister, it must be autonomous and independent of existing federal program agencies, because they will crucify it and they will kill it.

It must have a separate budget that is large enough to undertake the initiatives that are required, and its mandate must extend beyond simply facilitating and coordinating existing programs.

But Mr. Prime Minister, as I told you at P.E.I., and I listened carefully to what every Premier had to say, and here is one of the problems when new programs and new agencies are introduced, and I highlighted it in Charlottetown. I just want to take a minute to explain.

It is no good establishing a new agency or a new program and taking three steps ahead, which we can all compliment and we can all be proud of, if at the same time there are a whole range, and Premier Ghiz touched upon it, of other departments continuing on their merry way without any sensitivity for regional economic development, if the Department of Defence continues on its merry way, and does things without considering a regional focus.

And the Patent Act is a good example of a pharmaceutical one, which is in a department, Consumer Affairs, or whatever it's called, and Corporate Affairs, which is not an economic department, but legislation is now in the House of Commons, which is going to, according to all the studies I've seen, see drug costs go up and less generics on the market for a 7 or a 10-year period, and the jobs are going to go to Quebec and Ontario.

We have no guarantee that there will be one job for people, Canadians who live in Newfoundland and Labrador, out of this, if that's the argument for giving the 7 to 10 years to the multi-national companies, pharmaceutical companies.

So here is a piece of legislation, so say you had the Atlantic Opportunities Agency in existence, and we were doing two or three really good things; three steps forward, and then we get three steps back because we have a piece of

legislation from another department which completely flies in the face of regional economic development.

And what I don't understand is why -- surely a pharmaceutical company, if in negotiations for this legislation, could have been required to guarantee that a plant would be put in eastern Canada or in Prince Edward Island or in Manitoba, as part of the deal, then you would be having regional economic development happening across the board.

This piece of legislation is just not a Consumer Affairs' piece of legislation, this is economic legislation, coming out of the Department of Consumer Affairs, a quiet little department that's there, that you don't hear of all that much, except when some consumers get mad about the price of this or the price of that, and here is this new piece of legislation going in and we're going to make the rich richer, and the poor poorer, in the context of that piece of legislation.

We do it for the textile industry. Donald MacDonald said in his report that the tariffs on the textile industry, which is a national policy, that Canadians contribute \$38,500 a year for every job because of that tariff on the textile industry. For where? For Québec, they need the jobs, Ontario and Canadians too, they need the jobs, and that's what it's doing. That is a national policy.

Well, why can't we have a national policy now on new initiatives like the pharmaceutical bill which require companies -- Premier Devine talks about a global village. Well, if we're a global village, there's no problem in being able to put a pharmaceutical plant in Twillingate, in that case, you know. There's planes going back and forth all the

time and ships and all the rest of it.

I can come to Vancouver to a conference. We're in a new age, we're in a new time, and so we can do it, but we're not doing it, and we should be doing it.

So the Agency, yes, is a bold new step. Its concept is innovative, and we've all complimented the Prime Minister on taking that initiative, but we must have a federal government, through all its departments, being sensitive to regional concerns, because if we do a good job on this agency and make progress, it can be destroyed in one flick of the pen by some other department doing something which will exacerbate the problem of disparity that we now have.

And then, at the same time, we must emphasize the strengths that we already have, that can be emphasized now by a national policy. We all have our own unique strengths across the country. One of ours is fish, a great strength. It's the cornerstone of the economy in Newfoundland and Labrador.

At last November's First Ministers' Conference in Halifax, I drew attention to the fact that Canada's jurisdiction over its fishery resources is threatened by flagrant foreign overfishing on the Grand Banks of Newfoundland. This problem was highlighted this year by the R.C.M.P. high seas chase and arrest of two Spanish fishing trawlers.

Canadians must harvest, process and sell their fish, all their fish, in world markets. It is not appropriate for foreign nations to expect to fish, legally or illegally, in our waters, at the expense of Canadians.

You must understand that the fishery resource is the basis of the Atlantic coast economy. It is one of the few



natural advantages we have. If we allow it to be overfished, the catches of our own fishermen will decline. This is already beginning to happen. It's not a dream, or it's not some kind of fear that I'm trying to create here.

If it is allowed to proceed unchecked, it will condemn whole sections of our coast to perpetual poverty. We must find a solution to this problem, in the same way that -- I mean, it's really weird, isn't it, in the same way that Canadian jurisdiction over seabed resources extends to the edge of the Continental Shelf, we now have jurisdiction over mineral resources because of the Law of the Sea, but we don't have jurisdiction and management of the fish that swim over the oil and the gas and the mineral resources; we only have it for what's in the ground. That that swims over it is different altogether, even if it goes nowhere else, only on the Continental Shelf.

Some might say, let's return to the comment of Mr. Trudeau when I brought this up before, because he told me fish swam, and that that resource was therefore different, that it had to be treated somehow different. Of course, I told him back that yes, they swim from offshore Newfoundland to inshore Newfoundland, and they swim on the Continental Shelf.

So we have jurisdiction now, through the Law of the Sea, so what I say to Mr. Clark and to Mr. Siddon is, if the Canadian government will accept the principle that unless we get management authority over the fish, like we do over the oil and gas or other minerals in the seabed, you accept that as a principle -- we're not saying go out and automatically and unilaterally tell everybody that now we're going to take over

the management of the fish. There are other countries that have been involved there for a while. Sit down with those countries, and see if we can negotiate something along the lines for fish that we have for minerals.

But the problem right now is that the federal government will not accept the idea that the jurisdiction should be the same for the fish as it is for the seabed, in their public policies.

We must work towards new developments and international law which will permit the extension of Canada's fisheries management authority over all the fish resources on the Grand Banks. That's the management of the fish resource. It doesn't even have to be total jurisdiction if we can get an agreement with the other countries to have management authority over it so that we can manage the stock and see that the quotas and the fish are not over fished.

The industry and all the Canadian Premiers have expressed support for this view. This is just not a parochial provincial/Newfoundland view. Ontario supports us in this, and all the other provinces have in Edmonton. They were extremely helpful and cooperative, and Mr. Peterson has on many occasions, publicly and privately to me, expressed support in this.

The whole Canadian fishing industry is now, as a result of the last six months, seeing what's happening, supports this. So all we need is the federal government's support. Hopefully, Mr. Prime Minister, on another strength that we have, the offshore oil and gas, as Premier Getty has already mentioned, the Hibernia development, we are now in negotiations, hopefully we can count on the federal government's support in trying to put together a fiscal regime which will make this project go ahead over the next few months.

It would provide again some contribution towards security of supply for Canada in the long term. You wouldn't see one barrel of oil produced until 1992 or '93, even if it started tomorrow. It's the largest oil field in Canada's history, and it needs to be developed now if we're going to do the kind of things that Premier Getty had talked about, and which I support him on.

A third natural strength which we've got to build: we're presently in negotiations with -- NATO is -- in establishing a NATO tactical base. We're into a fight with a site in Turkey. It's been narrowed down to two sites, Labrador or Turkey. The big problem that we have there is there may be a cost differential between the two places, and NATO could then make a decision based upon cost. Militarily it's better, it's farther away from Russia, and for a whole bunch of other reasons. We've got a lot of infrastructure developed there because it's an American base that they're going to build it on.

The problem here is that we need a commitment from the federal government that if there is a cost differential, that it will be made up by the Department of Defence, and we're talking about a half a billion dollar development and hundreds of millions of dollars each year. So if you work out the tax system on that, the differential that will have to be put up from by the Canadian government will be gotten back in about ten years. So there is a positive side to it for this kind of investment. But once again, we don't have that kind of commitment from the federal government.

So these are three natural strengths that we can emphasize to the people around this table, in addition to having some kind of particular agency deal with regional economic development. A very thorny issue, Mr. Prime Minister, with us, and I raised it last night and I indicated to you I would raise it today -- may I just say for the benefit of Grant Devine, because if I don't mention it he's not going to eat his lunch -- I get a little bit, as we all do from time to time, as Don Getty does, and other Premiers who are away from the centre



of this nation -- I'll just say it, Grant, and I'll leave it there. When we talk about all of this business with the counter-vail now and our bilateral talks with the United States, I just find it a bit funny, and it's a bit grating to me as a Canadian, that when the salt fish business came up nobody in the country knew a darn thing about it, and I tried to highlight the fact that what is now just happening for salt fish could happen for other resources across Canada. Not a sound.

Now, of course, it's the biggest thing on our national agenda, and so it should be. But it's too bad that when a principle which is valid, when it comes from a smaller province doesn't get heard, but when it comes from bigger provinces we've all got to listen and tail along behind. But on this whole point of interprovincial trade, Mr. Prime Minister, I have to raise it because it only came up lately.

We have been trying as provinces to do our utmost to reduce interprovincial barriers. I regret that in dealing with this -- and I'm out all over Newfoundland and Labrador, as are the other Premiers. Defending getting rid of our barriers might cost us some jobs in the short term, help us in the long term by pushing this through.

We had an example just recently where this has really hurt our position. That's the case of the purchase by U.S. interests of the refinery at Come-by-Chance, Newfoundland, which in its time was the largest bankruptcy in Canadian history.

In this case a federal crown corporation, Petro Canada, has in fact erected roadblocks to the proposed reopening of this facility. These blockages erected by Petro Canada take the form of an interprovincial barrier to trade. Petro Canada

is requesting an undertaking by the new owners that they will not market the output of the Come-by-Chance refinery in any Canadian province outside of Newfoundland, and their initial position was no marketing in Canada whatsoever, including Newfoundland and Labrador.

Now, we find this action incomprehensible, coming as it does just when we are beginning to make progress towards the dismantling of interprovincial barriers in Canada. I raise the question how can Canadians and the Government of Canada reconcile the actions of Petro Canada with our approach to free trade, with our efforts to attract foreign investment, and with our efforts to reduce interprovincial barriers?

This action by a crown corporation is totally inconsistent with all of these policies, and here are investors -- we're all talking about changing Investment Canada and bringing the dollars in; not one dollar from the federal government, directly or indirectly, to revitalize this plant, not one single dollar from the provincial government, no subsidies, no grants, no loans, no nothing, private money which will total, when it's all finished, around -- 20 and 50 is 70 -- 70 and 40 is what, 110, plus 40 -- \$150 million, this investment to revitalize the Come-by-Chance oil refinery.

We had a federal crown corporation flying in the face of everything that we were saying. May I just add salt to the wounds by saying that it has already been agreed by the operators that it's export-orientated, and all they were looking for is that over two or three months -- two or three years from now when they might have a little excess capacity of ten or 20 per cent because the rest is already committed to the United States, that they be allowed to market that 20 per cent in Canada to enhance the viability of the plant.

In closing, I wish to turn briefly to equalization and federal-provincial fiscal arrangements. In many respects, this is the glue which holds the federation together. It provides disadvantaged regions with sufficient revenues to provide services to their citizens, and their businesses.

In Newfoundland's case we are very dependent on fiscal, federal fiscal transfers -- as the little document that the federal government just passed around to all of us indicate, 670 million smackeros a year. Unfortunately, the rate of growth in federal payments has fallen well behind the growth in our expenditures.

The result is that all our revenues must go to support basic services, which are at levels well below the national average. There are very few funds remaining to support economic development initiatives on our own - - 12 per cent sales tax.

It is imperative the federal government honour its constitutional responsibility now, to enable provinces such as Newfoundland, to provide comparable levels of service, without forcing us to increase what are already the highest taxation and debt levels in Canada.

I am aware that our Finance Ministers are continuing to discuss this matter. I would like to impress upon you, Prime Minister, the need to be sensitive to the fiscal plight of my province. The greater costs imposed on us by a predominantly rural and dispersed population, the underdeveloped nature of our economy, make it very difficult to meet the growing demands for basic public services such as health, senior citizens' care, child care, and education and training.

In closing, the most important point I wanted to make in these remarks, was my concern about regional economic development policy. The recovery in the Canadian economy is narrowly based in the industrial manufacturing regions and sectors, and this is creating a strain on the unity of the federation.

During the recession, national policies and resources were directed to alleviate the recessionary impacts in the industrial manufacturing regions and sectors. Now, in the interests of fairness and equity, and in the interests of national unity, and the health of the federation, Canada must refocus its national policies towards stability and growth in all regions of Canada.

Beyond these policies, Canada must act to take full advantage of its economic opportunities. I have described the NATO training prospect as an area which holds promise for all Canadians; similarly, Canada must remove the threat to its resources presented by foreign overfishing off the Atlantic coast.

There must be balanced growth across the nation, recognizing and eliminating the structural impediments to regional and national growth, and building upon the strengths of each region.

Canadians everywhere in our nation must benefit from the inevitable prosperity that will surely result, and may I say in conclusion, Mr. Prime Minister, I am extremely pleased as one First Minister, to note that we will be talking about economic equality for women. I was one of the Ministers responsible for that years ago, with Premier Hatfield and trying



to push to get this on the national agenda, and I'm pleased that we're going to have an opportunity to pursue that very important topic in the next two days.

Thank you very much.

THE CHAIRMAN: Mr. Premier, thank you and may I just say on behalf of all colleagues, that in regard to a province with an almost 21 per cent unemployment rate, you can be sure, Premier, we take your observations and concerns very seriously, and we will work with you to lower this scandalously high unemployment, and if unfairness exists there it is staring us right in the face, and it must be dealt with.

Je pense, collègues, que vous avez tous soulevé des questions vitales et délicates même aujourd'hui avec clarté et sobriété dans le contexte d'un processus très important. Les relations saines et mures dans le domaine des relations fédérales-provinciales constituent un laboratoire vital de toute expansion économique nationale et régionale. Et je tiens à dire à tous les collègues Premiers ministres mes remerciements pour avoir participé activement et vivement à ce débat important.

To all of you, my thanks for a very helpful and direct participation in a vital subject of national life. Speaking of life, and I am thinking of the press now, we'll have lunch. They are asking for lunch right away, and we'll return at 3:15. It will give us time to have a bit of a break, a pit stop, and we will be back at 3:15.

Thank you all.

--- RECESS 2:00 P.M. / AJOURNEMENT 14h00



ANNUAL CONFERENCE  
OF  
FIRST MINISTERS

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CONFERENCE ANNUELLE  
DES  
PREMIERS MINISTRES

VERBATIM TRANSCRIPT

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(unrevised)

Afternoon Session of  
November 20, 1986

COMPTE RENDU TEXTUEL

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(non révisé)

Séance de l'après-midi  
du 20 novembre 1986





--- 3:39 P.M. / 15h39

LE PRESIDENT: Messieurs les Premiers ministres, nous abordons cet après-midi la question du développement économique, y compris, bien sûr, le développement économique régional. Ce matin nous avons parlé de la performance économique du Canada en général. Dans l'ensemble, nous nous en tirons très bien dans certains milieux, en fait mieux que la plupart des autres pays industrialisés.

Toutefois, comme plusieurs d'entre vous ont mentionné ce matin, les chiffres globaux masquent plusieurs des problèmes auxquels plusieurs secteurs de notre économie et les diverses régions du Canada font face. Nous savons tous que le Canada doit composer avec un environnement commercial de plus en plus incertain et concurrentiel.

En raison de l'importante reprise économique qu'ont connue les pays occidentaux, le commerce international a pris une envergure inégalée jusqu'ici.

Toutefois, le Canada ne peut pas compter sur les déficits commerciaux et budgétaires qu'enregistrent les Etats-Unis pour alimenter sa propre relance économique. On le fait depuis un bout de temps -- on ne peut pas le faire de façon continue.

De plus, l'accès du Canada aux marchés mondiaux est de plus en plus menacé par des politiques nationales et les pratiques discriminatoires de certains blocs commerciaux. Nous assistons en outre à la montée de nouveaux pays industrialisés comme la Corée du Sud et le Brésil, qui, du fait qu'ils sont en train de bénéficier des techniques de pointe et d'une main-d'oeuvre très peu coûteuse, constituent de formidables concurrents pour nos fabricants.

What this means, colleagues, is that Canadians can't sit back and you've mentioned it this morning, and wait for the rest of the world to create the market and the jobs we need. We've got to rely on our own efforts and our hard work. We have no choice if we are to prosper, we must take on and compete with the best in the world. In this uncertain and competitive trading environment the traditional mainstay of our economy, the resource industries are being particularly challenged, we have been dealing with a number of those challenges directly as First Ministers.

World commodity prices have declined dramatically over the past five to seven years as a result of the third world increasing self-sufficiency in food, world overcapacity in mining, continued instability in OPEC, extensive overwhelming agricultural subsidies, and I can go on. This is one of the reasons we met in Vancouver last May, why we raised it at the Summit of the industrialized countries, was precisely because of the devastation inflicted on the economy of western Canada, and elsewhere in the country, because of these subsidies.

When price declines are cyclical we can expect a recovery, but for some basic commodities there have been some fundamental changes in the world economy. And the hard reality is that we can no longer rely solely on sustained demand growth and strong prices to secure our prosperity.

When commodity prices drop, all Canadians suffer. Don Getty quite properly pointed that out this morning. Regions that depend on resources are hard hit, our trade balance worsens, and jobs are lost. We must find practical ways of responding to the short-term needs and the long-term prospects of these sectors.

De plus, au Canada, comme ailleurs, la plupart des nouveaux emplois sont, comme nous le savons, créés dans le secteur

des services, et les industries axées sur les connaissances spécialisées jouent un rôle de plus en plus important dans l'économie.. Aux yeux de certains, tous ces éléments, c'est-à-dire le caractère plus incertain et concurrentiel du milieu commercial, l'instabilité du prix, et les grands changements structuraux que subit notre économie, constituent **des** problèmes, dans certains cas, insurmontables.

En effet, l'histoire de notre pays nous démontre clairement que les Canadiens ont à la fois les compétences et la détermination nécessaires pour s'adapter au changement.

La croissance remarquable de l'emploi au Canada au cours des deux dernières années prouve que cette confiance dans l'esprit d'entreprise des Canadiens est parfaitement justifiée. Au cours des deux dernières années, par exemple, nos gouvernements, aux niveaux provincial et fédéral, ont travaillé en étroite collaboration afin de préparer, de mettre en oeuvre un programme économique qui permet de transformer les défis de la scène internationale, en possibilités pour nos entreprises.

Nous pouvons déjà constater des résultats très positifs, et nous devons aller encore plus loin dans la voie que nous avons choisie, c'est-à-dire une tentative d'établir la prospérité économique dans toutes les régions du pays. Nous devons garantir et améliorer notre accès aux marchés mondiaux. Nous devons créer un avantage concurrentiel pour nos ressources et nos produits. Nous devons renforcer notre base de ressources tout en atténuant à court terme les incidences des prix des produits de base. Nous devons tirer profit des nouvelles possibilités qu'offre le secteur des services et nous appuyer sur la réussite remarquable des petites entreprises. Nous devons aussi veiller à réduire les déséquilibres régionaux qui marquent notre économie.



With all of these factors in mind and many of the Premiers have stated it better than I could this morning, I can't overstate the importance of our bilateral trade negotiations with the United States and our multilateral negotiations.

We've got to do more than secure our access to world markets. We must also do a better job of selling Canadian products abroad. We're going to be placing particular emphasis on exploiting the great potential of markets in Japan and other Pacific Rim countries. A number of you have been active, the Premiers in your travels, working to open opportunities in this flourishing market. I was there myself, and spent a great deal of time with businessmen and with governments trying to create and open job opportunities for Canada in general and western Canada in particular in those remarkable markets.

Another key element of the government's economic policy agenda has been to remove impediments to competitiveness and growth that hinder the country's private sector. As a major stimulus to small business, our governments are reducing the burden of paperwork and regulation. New efforts to remove barriers to inter-provincial trade are underway, not perfectly, as Brian Peckford pointed out this morning, but some progress has been made.

We must also work in partnership with Canadian industry to achieve technological excellence. The increased funding for university research councils and the proposed national forum on post-secondary education are both intended to build bridges between industry's needs for technical excellence and the capacity of our universities to meet these needs.

We must work more closely with Canadian business and with labour to develop and apply the technologies that will give our industries, our farmers and our resource sectors the



maximum competitive advantages in a keenly competitive world. These elements, and you may have others - we'll talk about it this afternoon, trade negotiations and export promotion, enhancing competitiveness by removing artificial obstacles, encouraging technology adoption in addition to responsible fiscal management and tax reform. These are the critical elements of our ongoing national economic agenda.

These are the broad policies and objectives we believe will provide the foundation for sustained economic recovery in Canada.

What we need is a portfolio of sectoral and regional strategies, and these strategies have to be consistent with national policies and mutually supportive, to help the private sector become more competitive, to promote the adoption of new technologies and increase productivity, thus enhancing our comparative advantage, to be flexible and responsive to changes in the international marketplace, to be fiscally responsible by spending smarter with the imperative of restraint and to foster a close working relationship between governments and the private sector.

A year ago we asked our Agriculture and Fisheries Ministers to develop approaches to both of these key sectors. We have reports, pretty remarkable reports, as Grant Devine pointed out, on this work before us today. They may not have achieved unanimity on all questions, but they have made very considerable progress.

Together, the federal and provincial governments are providing \$5 billion of public assistance to agriculture and the fishery this year. We must draw on these reports to review existing programs, and coordinate our efforts to achieve the

maximum possible benefit for fishermen and farmers across our country.

The most recent sector to experience sweeping changes in economic circumstances is energy, where oil prices have dropped by almost 50 per cent in the last year. Soon after we took office we began to establish framework policies, and I think, Premier Getty, you used the expression this morning of energy as an instrument of national unity. It is indeed that, which is why we began the framework policies that we initiated after 1984. We concluded the Western Accord, the agreement on natural gas deregulation and the Atlantic and Nova Scotia Accords.

We also announced the frontier energy policy for Crown Lands and the nation went through a record level of drilling activity last year. This year's collapse in world oil prices has brought further adjustment in government policy, and, as Premier Getty has pointed out, even though it might not appear to be sufficient or even sufficiently timely, we eliminated the PGRT two and a half years early at a cost of some \$800 million in foregone federal revenues to provide badly needed cash flow and help maintain industry activity and jobs.

But, as Premiers have pointed out, it's still not enough. It is a national problem, and if energy is going to be an instrument of national unity it has to be regarded and worked at in that context.

In January our Energy Ministers will be meeting for a full exchange of views on appropriate strategies for the energy sector. We have common goals - efficient exploitation of our energy resources and an equitable sharing of benefits and burdens for all provinces.

Our approach to economic development has to be built in part on sectors of the economy, but some economic problems are best addressed on a regional basis. I would agree that it's important to build upon the strengths of existing agricultural and resource economies in western Canada to take advantage of future opportunities in world markets.

But, western Premiers propose a strategy as well of adapting to new circumstances, building on strengths by finding new markets, developing new products that bring greater value added and more jobs to western Canada and improving competitiveness through technological change. This is fully compatible with the criteria for economic development that all of you have been setting out. In a word, the keyword is fairness of opportunity. It's a fair kick at the can if you're from Kamloops or you're from Antigonish.

And I also agree that in the longer term, diversification is the key to providing the west with much greater economic stability. With high technology firms employing thousands of people and generating some billions of dollars in annual sales, western Canada clearly has the capacity and the strength required for that extra diversification.

We can build on the industrial strengths that have emerged in the west over the past decade. Consider, for example, the highly innovative efforts of the University of Saskatchewan or U.B.C., each of which has helped create a half-dozen or more new industries in special disciplines.

Equally impressive is the world-class capability that's been developed in Alberta, to apply medical technology to veterinary products, for example.

I say to my western colleagues that I have asked Mr. Mazankowski, the Deputy Prime Minister, and Mr. Côté, to work actively with western provincial counterparts and with western business to identify specific commercial opportunities for economic diversification.

As we can now see, we have a basis for an intensive work program for our Ministers and their officials over the next number of months. We will review their progress on a regular basis.

I have noted very carefully, and will try to respond in a timely and helpful way to some of the suggestions that can be dealt with by direct federal government action, be it in the area of procurement; in direct areas of federal-provincial cooperation, in terms of job generation, technology transfers, some of the many items that have been raised, both from the



west and from the east this morning.

In regard to Atlantic Canada, where you heard Premier Peckford this morning, represents an area of Canada where, for example, for 15 years, when prices of energy were - - at a time when you could get it developed, the Premier of Newfoundland and his colleagues couldn't develop because the Government of Canada would not give them the key to unlock that treasure house, and that tremendous potential, offshore Newfoundland and Labrador, can now be developed, notwithstanding the fact the prices are being gravely affected by the conditions that we've mentioned.

There is almost 21 per cent unemployment in Newfoundland, double digit unemployment in New Brunswick and Prince Edward Island and Nova Scotia, which is why I met in Prince Edward Island with Premier Ghiz and Atlantic colleagues. Sure, we're trying to build a more dynamic private sector through the Atlantic Enterprise Institute and what-have-you, but we have concluded, I think rightly, that we can achieve better results, in Atlantic Canada, by infinitely better coordination of the efforts of both levels of government to remove the obstacles to growth, and to cooperate genuinely through the creation of the Atlantic Opportunities Agency.

By spring, I would hope that the Atlantic Canada Opportunities Agency will become operational, guided in large measure by the kinds of comments and expressions of views held by Atlantic Premiers. The job won't be easy and results will not come quickly and, in fact, Premier Hatfield quite properly suggests prudence in our approach to the problem.

If the problem could be solved in Atlantic Canada by throwing money at it, there wouldn't be anyone unemployed,

and it's a fact of life that all of that money has not properly served the people of Atlantic Canada. They're entitled to, I believe, a better handle on the issue, and this comes from the kinds of views that have been put forward in regard to the design, the control and the operational mechanisms in place for an instrument like the Atlantic Canada Opportunities Agency.

And so, there will be no miracles, but I think there is room for new hope and for reasonable optimism. Premier Peterson, your views on the importance of science and technology and tax reform are both helpful, and I think supportive of the mainline views of Canadian Premiers.

Les gouvernements ont pour rôle d'appuyer et d'encourager le secteur privé, de sorte qu'il puisse tourner à son avantage l'adversité, de tirer profit des changements nécessaires, et évoluer pour le mieux. J'ai souligné l'importance de mener à bien notre programme économique national, c'est votre programme, c'est le programme de tous les Premiers ministres, tous les partenaires. J'ai mentionné que, en ce qui me concerne, tantôt, que les relations fédérales-provinciales constituent non seulement un exercice en soi, mais un instrument de création économique dans un état fédéral. Sans des relations saines au niveau des relations fédérales-provinciales, il m'apparaît inacceptable que l'on puisse songer à des initiatives économiques valables sans le concours du Québec et du Manitoba et de la Saskatchewan. Au niveau fédéral, il me paraît impossible de mettre en plein et de mettre en vigueur des programmes nationaux, qui ont une certaine envergure, donc pour moi, les relations fédérales-provinciales que l'on voit cet après-midi sont un instrument économique également, non seulement politique, mais économique, à la création d'emplois et de nouvelles opportunités au niveau régional.

So these are the challenges that are before us. We work with the imperfect instruments that we have been left, and we try and improve in their design and their delivery of services to people. I know that clearly, for Brian Peckford mentioned this morning his frustration that trade also became important for -- not when he mentioned it, but when it started to hit a lot more people in the pocketbook. I think there's some truth in that. I think there is a feeling of isolation and neglect in certain areas of the country. I recognize that. I sympathize with it, and I commit my government and myself to working with you to diminish that, and it's in that spirit that we involve ourselves in this main effort

this afternoon, and I'll ask Premier Buchanan to begin, followed by Premier Devine. Premier Buchanan.

HON. JOHN M. BUCHANAN: Thank you, Prime Minister. Well, if I may be permitted just a few comments on the economy as I see it and the state of the economy and those things that I believe we, collectively as governments, can do working together to strengthen the economy and thereby directly affecting or strengthening the social fabric of the country, because one will work with the other. This morning I, in general terms, discussed regional development because I am convinced that in the chain of Canada, if you have a weak link, and there's no question we do have weak links and one of the weak links is Atlantic Canada, and if we don't strengthen that weak link, then the whole fabric of the country is going to be weak and the chain is going to be weak. So I think we've got to take a very realistic look at this item called regional economic development.

There was a time back in the 1960's when it started to work, and then it wasn't working for a period of time, and then there was another time when it started to work again, and then, through the late '70's it changed from regional development programs to national programs under . . .

( TECHNICAL DIFFICULTIES / DIFFICULTÉS TECHNIQUES )  
 . . . the whole process. Premier Peckford mentioned this morning -- I looked the figures up in our own briefing book, and he's absolutely correct -- if you look at it as a regional development tool, most of the money from the federal government has gone to Ontario and Québec, and quite frankly, you could say this, that peanuts came to the Atlantic provinces. And yet, the programs were designed as regional development programs. So I think the whole idea has got to be looked at in terms of how best to bolster the economy of the Atlantic provinces by a direct



funding program through the agency, the Atlantic Opportunities Agency. I'm very supportive of the Agency, I agree with Premier Hatfield, we have got to carefully think it before we implement it. But, let's not take too much time, because we have some people in the Atlantic provinces that, quite frankly, are suffering at the present time and have got to have some help. So I think we can move on it carefully, but we can move on it rather quickly. I hope what we're talking about here would be maybe months, and not many many months, but a reasonable number of months to get it underway.

The form that it takes and the kind of organization it will be will be determined after we have the proper consultation with the individual you have chosen, we have agreed to, to kind of start putting this organization together. It must be funded properly, it must have decision-making powers in the Atlantic provinces if it's to be meaningful at all, and divorced, more or less, from the Ottawa situation. And I think we -- it appears we may have agreement on that. I think we'd better be very careful what we do with DRIE here because I think that DRIE should continue but be strengthened as a regional economic tool of government and that the Atlantic Opportunities Agency concentrate on some other things.

Now, this morning I talked about procurement policies which, I believe, have not been used in the past for regional economic development purposes. I'm convinced they can. I've looked at the situation in the New England states where the Government of the United States did use federal spending to bolster the economy primarily of states like Maine and Massachusetts, and it worked, worked very well, and there's absolutely no reason why it can't work here if the procurement policies are as outlined by

Stewart McInnes a few months ago and there is a direction by the Government of Canada of X numbers of dollars into the Atlantic provinces, you do two things: you create jobs, you save jobs, and the money is used for something very useful, government spending, government contracts, national defense contracts, etc.

So I believe that procurement policies will go a long way in starting to close that gap between the Atlantic provinces and the central part of Canada. I want to mention one other thing about the Atlantic Opportunities Agency. We've talked about this in Charlottetown. It cannot be an agency where there's a lot of tape, red tape, green tape, blue tape, whatever. It can't be there from the beginning because once it's there it's very difficult to cut. So let's not have it at all.

We've all seen the experience of the Atlantic Enterprise Board where so many departments and people had to sign documents before anything was approved. Now, that's been handled, I understand, and that's good. We also see the situation where Enterprise Cape Breton unfortunately hasn't really gotten off the ground, but your Minister and I are going to look after that very soon too.

But I think these agencies have got to be devoid of red tape. They've got to have decision-making powers within the Atlantic provinces, and primarily the new one we're now discussing, also must be properly funded. If they're not properly funded, they're not going to do the job.

I'll just reiterate again something that my Minister to my right is very much involved in, and that is technology, training, vocational training, and the policies at the present time, they're just not working in the way that they should work in Atlantic Canada, and I urge you, Prime Minister, as I will at a later date, that training, technological vocational training has also got to be part of this very specific Atlantic Opportunities Agency, and be divorced from the kind of national

programs that may work in Ontario where there's a very strong private sector, but just do not work in the Atlantic provinces where we have a very weak private sector.

May I just touch on what I consider and have always considered the strength of the Atlantic provinces, and primarily Nova Scotia, and that is our resource industries. I firmly believe you go where your strength is and you build up your strengths because you know about them. You know how they will react to funding. You know how they will react to the human resource element, and I'm now talking about our forestry industry, the great fishing industry which is now on the move, agriculture, our tourism industry, and hopefully, as we develop new technological techniques of burning coal and the circulating fluidized bed field, a strengthened coal mining industry in Nova Scotia.

These resource industries must also be part of the Atlantic Opportunities Agency in one way or the other. Just to mention about the fishing industry which is on the move, no question about it, our fishing industry is strong and it's getting stronger. We've had many decisions, as I mentioned this morning, that had to be made.

I congratulated your Minister of Fisheries and Oceans, the Honourable Tom Siddon. I said that he had made some decisions that were difficult to make, but he did make them in the interest of the fishermen, and that's where they should be made. I said it this morning, I'm going to say it again this afternoon, because after all he wasn't here this morning and he is here this afternoon -- he is here -- so, Mr. Prime Minister, I am convinced that you're on the right track.



You understand -- it's interesting that you do understand the complexities of this country, the fact that regional development is vitally important in strengthening the fabric of Canada, and I want to congratulate you and the Government of Canada because we're now on the right track. Let's not get off it. Let's stay on that track. Let's create the jobs, let's save the jobs. Let's make sure that the areas of Nova Scotia, at the present time suffering chronic unemployment, that those areas will be able to take their place, their rightful place in the economic development of the Atlantic provinces and the economic development of Canada.

I'm convinced it can happen. I'm convinced it will happen if we all work together to make it happen, but let's do it realistically. Let's not do it in an artificial way. Let's fund these programs properly. Let's make them absolutely regional in nature, and then once we've been assisted in pulling ourselves up by the boot straps and getting our economy going, then we'll take part in the national programs of Canada because we will rightfully be part of the economic fabric of Canada.

THE CHAIRMAN: Thank you, Mr. Premier. Premier Devine? I'm sorry, Brian?

HON. A. BRIAN PECKFORD: Are we going to have -- I just want the format to be understood. As I understood it, there were four or five reports to be submitted to the conference and then, as I understood it, we would speak to the reports. Is that what we're about, because there's an agricultural report, a fisheries report, a whole bunch of other reports to be submitted?

THE CHAIRMAN: Yes, Mr. Premier, it's --

HON. A. BRIAN PECKFORD: Or is it just -- they're all just going to be submitted, and then we can speak on them?

THE CHAIRMAN: You can speak as you wish. We're going to try and keep to the general topic, but in terms of style or approach it's completely unstructured. You're to feel free to interrupt anyone as we go along this afternoon, and as much give and take as you'd care to indulge in, and you can comment on them, as some people plan to.

HON. A. BRIAN PECKFORD: Okay, I'll bow to Mr. Devine who is supposed to be next.

THE CHAIRMAN: All right, Grant?

HON. GRANT DEVINE: Thank you, Mr. Prime Minister.

Well, I am going to use this opportunity to speak about two things. I want to speak about the agricultural strategy, the national strategy, and about economic diversification linked to economic development, and I'm going to present a paper and will pass it around.

I want to speak on agriculture, because I see it as an example, an illustration, of where good cooperation between the provinces and the federal government can come up with a strategy to help us be successful taking on international competition, and dealing with a very large industry, so I am going to focus most of my attention on some work that we have done, and I'm happy to say, as you know, and I know, that every province in the country now has signed a new National Agricultural Strategy.

It's, if not likely one of the best we've had in 25 years and perhaps one of the best ever, and it will be distributed, if it's not being distributed now, to all the governments and for the press to see, and at the outset, I would like to say, Mr. Prime Minister, I hope you encourage all the Premiers to in turn encourage all the Ministers of Agriculture and their governments to implement this strategy.

It's extremely important; it's taken a lot of work and a lot of time. We started it in Halifax in 1985. We said this nation needs a food and agriculture strategy, perhaps this is one area we could give it our best shot and see what we could do collectively, and come up with an international, local strategy, and we have. And we have agreed, and we've signed it.

And I want to congratulate at least the colleagues here, John Wise and Charlie Mayer and Jack Riddell and Peter

Elzinga and who else, John Savage, Bill Uruski is here, and others that have worked so very hard to bring this to pass. It's an example of the things that we can do if we want to put it together.

I want to take a few minutes, if I might, to illustrate what it can do in a very short period of time. When I spoke in Halifax in 1985, at that time we faced very, very high interest rate problems, or had gone through high interest rate problems and debt problems and trading problems. Since we agreed to take this on collectively, we've seen interest rates from the federal government go to 6 per cent to the commodity, the FCC commodity-based loans; farm debt review panels be established; freight rate freezes come into place; fuel tax rebates across Canada, not just in Saskatchewan and not just in the Maritimes or the west coast, but across Canada; a disaster relief program for western farmers because of drought; assistance of \$1 billion for Canadian grain producers, not western Canadian grain producers, but all Canada; major water projects, to help drought-proof a good part of the west, in my province and others, plus you and other ministers taking on the food and agricultural issue at the international level like it's never been done before, making sure that agriculture gets on the table with respect to the multilateral trade negotiations, the new GATT round, which is extremely important, because agriculture has never been there.

It has been traded underneath the table, and we got the short stick. As a result of us, as First Ministers, putting it on the agenda and having it there, we've probably got 12 different accomplishments that we wouldn't have without it, or wouldn't have had without that attention.



Now, we have a brand-new national strategy that we can take credit for, that we've all contributed towards, from all political persuasions and all parts of the country, and it just seems to me that it shows that if you want to put your heads together and you want to cooperate and take on international problems, as well as local and regional, that you can get something done.

I have the agreement before me. I'm not going to read it. It will be for public consumption, but it has some major areas, and I think the Canadian public should at least be aware of the major headlines, or the major areas of concern, and the actions that we're going to take, and that we can take if we decide to endorse this as First Ministers and let it go.

The first is farm income, credit measures and risk protection, and we're talking about interest rate protection, disaster relief, protection for farmers and producers across Canada from the cost-price squeeze.

We're looking at new ways that we can have the federal government and the provincial governments work together to provide credit to people for long-run security, the establishment of banks who can deal with farmers in deciding what kinds of things that we can do to keep them financially viable, farm debt review panels, and we're looking at various kinds of tax changes that we can implement in agriculture, to encourage the investment, to encourage financial institutions to treat them in a longer-run fashion, and I believe in a fair fashion.

The second area is soil and water conservation and development, which is something that every scientist in the agriculture area has been encouraging that we do to protect the resource. Technology development and transfer, and I go

back to Premier Peterson's concept with respect to not just agriculture but with respect to the things that we have to do in this country to make sure that we are competitive internationally, and we've set up 1, 2, 3 -- 6 different methods whereby the federal government and a provincial government and industry can work together to fund research, technology transfer, the very best management systems that we can put together across the country, in the food business and the agriculture business, to make sure that we compete, not only with Americans, but with the Japanese and those around the world.

Marketing is a big challenge in agriculture, and that's been included in the new strategy; not only national marketing, but international, to make sure that we can compete with others that we do business with, and included are changes in freight rates, changes in economic incentives to provide as much regional economic development as possible.

And finally, intergovernmental coordination which means that we have to cooperate, and we're going to recognize the kinds of things that are necessary to keep Confederation together, and particularly because of our agricultural background and the kinds of things that we can produce on one corner of the country versus another corner or another coast. So the regional aspirations are included.

I look at this, Mr. Prime Minister, and the Ministers of Agriculture, and the Deputies, and the research scientists and economists and others who have put this together, and I can only say that in Halifax, with Premier Buchanan's help, we decided we should do this: ask the Ministers of Agriculture from the various provinces to bring forward the strategy, get some work done in the interim to show that we

weren't just talking but actually could deliver, and both have come to pass. I want to say that it is only a beginning, and there are many problems left in the food business and agriculture and finance and farm debt and so forth, and I am sure that everybody here is more than aware of that.

But we have a strategy that applies nationally and internationally, regionally, economically, socially, in terms of research, that we have all put our name to and have agreed is an important move forward for this country, and is significant not only for agriculture, but indeed other areas that we want to get into.

My second observation is if we're going to be successful in trade, and in the global trading village, then it seems to me what we've done in agriculture will be appropriate in other areas. If we can have the same cooperation putting together a trade strategy, putting together a diversification strategy, then this country will be able to compete with other jurisdictions like the U.S. and the Pacific Rim, developing countries and Western Europe.

I will be tabling, Mr. Prime Minister, and my colleagues, some of the ideas that are coming out of Saskatchewan with respect to economic diversification. And I believe Saskatchewan is essentially a microcosm of the country. We've been blessed with a large number of resources. We are young. We have the technology. We are now exporting technology like we export wheat, and we are following up that new marketing in additional economic development projects worldwide.

We are twinning with jurisdictions throughout the world. We are establishing new markets. The new diversification in the development approach that is suggested in this paper says if we give the same thought to the global markets that we have in agriculture and in trade, then in many of these areas, particularly with respect to services and high technology and new technology, that we can be increasingly successful.

So, Mr. Prime Minister, I won't speak about the fish industry. I'm going to leave that to Brian Peckford and some others, but with respect to agriculture I can say that we take some satisfaction that since 1985, when we initiated this project with the federal minister and with our counterparts across the country, we've come up with a major document that I hope you will encourage your officials and the ministers here to endorse it fully



and get on with it and if we apply the same thing with general economic development, then this country is going to be on the move and on the move so other people around the world will see that we're serious about being competitors in the long run.

THE CHAIRMAN: Thank you, Grant.

I think you're right. I think all the First Ministers should convey our congratulations to the Ministers of Agriculture who have done, really, a tremendous job. This is a significant and impressive document and an illustration of the kind of follow-through that should take place from First Ministers' Conferences.

Before we go to Brian Peckford, may I, on this, go to Premier Hatfield and then Premier Vander Zalm.

HON. RICHARD HATFIELD: Thank you, Prime Minister.

I want to say that in spite of our negotiations and the position we took in the negotiation with regard to the agricultural agreement, we did sign it and are supportive of it. It is a very major step forward as far as the agricultural economy of Canada is concerned, and I hope and believe that it will set a precedent with regard to the agricultural industry in our province.

At our meeting in Halifax last year we asked our Ministers of Agriculture to prepare a report for us for this meeting. Once again, it has been necessary to address the structural problem of an industry that is faced with changing world circumstances in its markets. The agricultural industry is fundamental to the survival of Canada, but we must recognize the need for change to keep pace with the world around us.

We've had in New Brunswick over the past forty years a dramatic change in the marketing of our most important agricultural commodity. We have watched the changes in the potato industry. It has gone from a fresh and export market to a market

in which the processed potato has taken on a more and more important role.

When my family was first active in the industry, the main problem was to supply the markets that existed. Today it is a matter of fighting for markets in a more and more competitive field, within Canada and outside of Canada. New Brunswick farmers can sympathize, and do, with the problems of the western grain producers who are now facing the same type of change in their markets that we have gone through on potatoes.

I would hope that because deficiency payments are being made on the 1986 grain crop, the abysmal prices received for the 1985 potato crop will not be overlooked and that our farmers will also receive some relief.

It was agreed last month by federal and provincial agricultural officials that the billion dollar National Financial Assistance Plan for farmers would be applied to all regions and other affected commodities. Therefore, I believe that potato producers will not be told this year, as they were last year, that there is no money available.

Turning to fisheries, Prime Minister, New Brunswick endorses fully the report submitted by the Ministers of Fisheries. We share their hope that the result of the freer trade negotiations will mean better access to the principal market for our product, the United States of America, and will enable us to carry out more processing in Canada before the product is shipped to market.

The GATT negotiations are also critical to the marketing of our fish products, one of the economic mainstays of the Atlantic region. The report highlights the fact that we still have not addressed the problem of income stability for fishermen and I endorse the recommendations that this should be pursued further.

The fishing industry of Atlantic Canada is always in a delicate state of balance. In the absence of alternative employment the region will have to continue to depend on the fishery and the Unemployment Insurance system for the support of a large number of our coastal communities.

Any changes to the Unemployment Insurance regime will have to be coupled with some type of Fisheries Income Stabilization before the existing program can be changed, and I am confident, Prime Minister, that the study that has been done and the information that has been put before that study will, in fact, not produce the kind of false fears that were raised a few weeks ago, but will, in fact, really produce a solution to what is a very, very difficult problem.

In terms of protecting and developing the resource, we must continue to pursue our conservation goals and limit the amount of Canadian fish caught by foreign fishermen in order to obtain the maximum benefit to Canadians. Aquaculture offers the prospect of supplementing existing fish stocks. I'm confident that working in cooperation with the Government of Canada we can continue to develop our aquaculture industry in New Brunswick so that we can supplement the income from the traditional fishery with revenue from cultivated species.

Prime Minister, I did want to have something more to say at this point with regard to the question of regional economic development, although I must say again that so many of the arguments and so many of the criticisms and so many of the angers that I had about that program over the years have, in fact, been suspended because I am optimistic, as I said earlier, because of your personal involvement and because of what I heard the other Premiers from Atlantic Canada say, because I heard what other Premiers had to say around this table, that we really are, if we work carefully, and if we do cooperate within the Atlantic region -- because I am assuming, based on what you have said privately and publicly, I am assuming your commitment.



Prime Minister, I have heard recently, and I have made these statistical arguments in the past, I have heard recently it being said that programs that were designed for regional development have benefitted Ontario and Quebec. The problem with that, Prime Minister, is those programs were not designed to address the regions of regional disparity.

The problem with that too is that if you look carefully at the statistics with regard to the monies that were spent in Ontario, not sufficiently -- there was not sufficient money spent in the area where Ontario claims to have a problem with regional development. It was in southern Ontario because those programs really weren't programs of regional disparity, and for years and years and years we argued that they should be changed.

And because they were not changed, because they were designed by people, many of whom are no longer around, but because they were designed to benefit those areas of the country that really did have an industrial base and could therefore very quickly take advantage of it, that is one of the reasons why we get these distorted statistics. I think they're distorted.

I think it is not a case of putting regional development money where the votes are or putting regional development money where the MP's are. It's a case of putting regional development money where the action was. The action was after we recovered from the great recession of the '30's, after we recovered from World War II, after we recovered from the energy boom, the energy price boom, where the action was, as was said earlier by someone else, resulted in the rich getting richer



and the poor standing still, to put the best light on it. So I think it is important that we understand and not get involved in trying to fix something that is in the process of being fixed, because I believe it is.

I also want to say that it is important to recognize that we do need to have an industrial development policy in this country for all parts of this country, but in the immediate term, in the next decade in New Brunswick and in Atlantic Canada there is not going to be enough -- there is never enough economic investment out there waiting to move to anywhere in the world that is going to deal with the kind of disparity problem that we have in the Atlantic provinces.

Sure we want economic investment, but first, as I said earlier, I think we have got to take some steps, and under this agency that is being developed I believe that this will be the outcome, take some steps that within the next decade that people will be able to say it was because of decisions that we made in the last few months and in the next few months, that things are happening, the good things that are happening in Atlantic Canada are happening because of those policy decisions, just as I think some of the bad things that are happening in Atlantic Canada today were because of bad decisions that were taken 20 years ago or 30 years ago, or what have you.

So I really feel that we are making real progress. I'm sure, like you, I would like to talk about it in more detail, but I'm not going to risk -- and with our private meeting that we're going to have I am going to get into more detail, as I expect my colleagues from Atlantic Canada will.

I want the people to know that we really are on to something, and I think it's something that is going to really produce -- in the immediate term it's going to produce a new confidence in our part of Canada.

Thank you.

THE CHAIRMAN: Thank you, Mr. Premier. Premier Vander Zalm, please.

HON. WILLIAM N. VANDER ZALM: Well, Mr. Prime Minister, I'll be brief. I simply want to reiterate some of the points that have been made and that were made by me earlier this morning.

First of all, I want to extend my appreciation to everyone here. You were very kind to me this morning in saying how grateful you were for the conference, but it's also of tremendous economic benefit to us that you're all here. So we're very grateful.

But mention was made by the Premier of Nova Scotia about directing a lot of industry and perhaps procurement to an area, regardless of what the economics, and I think that's somewhat dangerous. Certainly economics have to be the major consideration in all of this. I'm sure that there are occasions when we might do this, but by and large the economics of it must be the bottom line, otherwise we're simply ourselves also entering into a form of protectionism.

I want to also reiterate a statement I made this morning with respect to the competition between provincial governments for industries, and I can't impress upon you enough --

HON. JOHN M. BUCHANAN: Just to set the record

straight, I did not say that. What I said was the procurement policies of the Government of Canada should be policies directing contracts to certain parts of the country where there's chronic unemployment. As you may recall this morning, I had indicated that those contracts would be at a negotiated price, and not regardless of economics.

HON. WILLIAM N. VANDER ZALM: Thank you. Mr. Prime Minister, I can't impress enough upon the group here today that we have to bring an end to this bidding war for industry because we're all the losers in the end, and it's been proven and it was brought forth at the Ministers' conference two weeks ago that really the result of subsidies is not necessarily more industry or doesn't necessarily, as a matter of fact quite the contrary, encourage industries to settle in particular areas.

So we have to put an end to the bidding war. But there are things that can be done immediately without too much effort on the part of the federal government especially, and I'm thinking again of the film industry which offers great potential in British Columbia, and the application of the withholding tax, as we now see it, has certainly caused potential movie making for British Columbia to go elsewhere across the line.

We have lost considerable revenues because of that, and I mentioned this morning the gas pipeline to Vancouver Island. Once again, without that source of energy the opportunities on Vancouver Island are definitely very limited, and it is an area of highest unemployment in British Columbia. So this is one area again where the federal government could certainly assist us

in assuring that the potential of Vancouver Island is fully developed.

We are having our difficulties with the financial institutions, as I mentioned earlier this morning. If all of the savings that are garnered from British Columbia were put back into British Columbia, the banks could actually be very generous with our business and industry, but very little of it comes back into British Columbia. In fact, those dollars saved by people in British Columbia are invested again in eastern Canada.

But simple things. We have a system which the Minister of Agriculture dictates federally, a market sharing quota. It determines how much of a product might be produced in British Columbia. We have opportunities in British Columbia for a mozzarella cheese export to Japan and other markets, but we in British Columbia are only permitted to manufacture three per cent of all the cheese produced in Canada because we are required to protect, by way of federal legislation, the cheese factories in Ontario and Quebec.

Again, if this were left to the marketplace, if people here were allowed to compete, if we could use the industrial milk for cheese-making as opposed to pouring it down the sewer, we'd all be further ahead as Canadians, and most especially the people of British Columbia, and the farmers perhaps most of all.

We have been recently granted an increase in the number of chickens that might be raised in British Columbia, but then recently too a duty was imposed on corn from the U. S. in order to protect the corn industry in eastern Canada. Fair enough, we don't argue with that. We don't know all of the details of it.



But most of our farmers are dependent on corn from the U. S. They can't bring it in from Ontario. It's simply prohibitive. It would be too costly. So here we are granted additional chicken production, but now we can't afford to feed them anymore.

We do have these problems, Mr. Prime Minister, and many of them could be addressed in a fairly simple way, and we look forward to further negotiations on these specific points, because it could be done almost immediately. It doesn't have to wait for years, it's something we can do tomorrow almost.

Thank you.

THE CHAIRMAN: Thank you, Mr. Premier.

Premier Peckford, and then Premier Pawley.

HON. A. BRIAN PECKFORD: Well, Mr. Chairman, I want to echo some of the words that Mr. Devine made on agriculture and fisheries, and I think it underlines the importance of these conferences and being able to, and we talked about it when the conference got set up, follow through a consensus that the First Ministers have at these conferences.

And the agricultural report and strategy is an excellent example, which would never have been done if the First Ministers' Conference of this sort, that you started, hadn't be begun, and the same is true of this fisheries report that we have before us, would never have been done, would never have seen the light of day; all of the issues would never be examined.

Look at the issues that were examined by the Minister of Fisheries and Oceans; trade, income stability, resource considerations, inland fisheries, fisheries development and quality improvement, resource enhancement and development, aquaculture, recreational fisheries and value-added fisheries production. It would never have been done had there not been a First Ministers' Conference.

And whilst we have still got lots of problems as

I related this morning, and I'll relate some more again this afternoon, it in no way diminishes the importance of these First Ministers' Conference; hopefully it highlights the importance of them, because you have a forum in which you have got all your colleagues around the table, to both complain and also to constructively criticize and to move on to do other things.

And this document is another good example of it, it was done in agriculture, it is now done in fisheries, and I want to say that, so that it's clear to everybody where I stand on the business of these conferences, and the amount of production that's come out of them over the last year.

I want to, first of all, as relates to this report, and by the way, if anybody gets a chance to read it in your leisure over the next week or so, hopefully it will point up what I have been trying to say at these conferences now since 1979.

Page 17 gives you the value of the catch, the processed value of the fish catch, and the number of fishermen, licensed fishermen, and here it is in stark figures. How many licensed fishermen are there in Newfoundland, or fisherpersons, better said, 27,618, 27,618. The next highest is British Columbia with 14,647.

So hopefully, just that number alone, and in both the value of the catch and the processed value, we're number 2 or number 3 -- third, I guess, Nova Scotia is first and then British Columbia and then Newfoundland, yet we have 27,000 fishermen, where they have 13 and 14,000, and it just points out the rural nature of our economy and of our fishery, and the need that I'll address again in a few minutes about the

business of overfishing and the supply of fish, because if you have got more fishermen, surely you should have more fish, or otherwise you have that poverty problem.

I want to though, first of all, before I get into that again, and I won't be very long, I want to compliment the Minister of Fisheries and Oceans. Mr. Siddon perhaps will go down as one of the most effective Ministers of Fisheries and Oceans that Canada has had, ever. He's taken early action to control foreign fishing inside the Canadian zone, for example, which no other Minister took up and actually took action on before, even though the problem was just as great in the last 10 or 15 years, no other Minister has taken the action that this Minister has taken, and he needs to be complimented publicly in this forum.

He took measures last year, increased the maximum fines; there's a new bill before the House now, the House of Commons, that he's just brought in on that, increasing it from somewhere from 100,000 to \$750,000 fines, full observer coverage on foreign vessels. Nobody ever touched that before. Increased observer coverage on the domestic fleet too, so that we police ourselves. It's no good to talk about the foreigners doing things wrong, if we ourselves are.

Armed fisheries patrols. Increased helicopter surveillance. Electronic identification, and denial of port privileges, are all positive steps that this Minister has taken as it relates to the fishery on the Atlantic coast. And so therefore the Minister needs to be complimented, and I hope he stays in the portfolio for quite some time, Mr. Prime Minister, and that he intends to stay around for a long while to come.

THE CHAIRMAN: Are you moving a resolution, Premier?



HON. A. BRIAN PECKFORD: I move, seconded by everybody around the table that Siddon continue to sid.

Of course, we still have the serious problem of uncontrolled overfishing by foreigners of Canadian fish stocks, which overlap the 200-mile zone. The illegal foreign overfishing of these stocks is just as serious for Canadian fishermen, as the illegal fishing by foreigners inside our zone.

You will recall, Prime Minister, that we discussed this matter in St. John's when you were down with your Planning and Produce Committee, and at that time I released, on September 16th, a discussion paper which reviewed the problem of foreign overfishing off Canada's Atlantic coast, and I do appreciate that there has to be an understanding of this, not only by the federal government, by all the provinces and by all Canadians if it's going to be addressed, and I am going to see that every delegation gets copies of this discussion paper on foreign overfishing.

It has become much worse in the last two years. As our inshore fishermen have discovered, northern cod is not coming inshore the way it should. Foreign overfishing on the nose of the Grand Banks is a major contributor to this problem.

Our paper demonstrates how the 200-mile limit has helped to control foreign overfishing inside our zone, but it has not succeeded in stopping the overfishing outside our zone, even though it's still on the Continental Shelf, as I talked about this morning.

Small sections of the Grand Banks of Newfoundland lie outside 200 miles. Argentina, Australia and ourselves, I think, are the three countries that have Continental Shelves that go beyond 200 miles, and while the Law of the Sea went a

long ways to helping us, because they went to 200 miles, it does not solve our problem because we just have a longer, or a wider, if you will, Continental Shelf, and I don't think -- and I think I'm on safe ground when I say I don't think that the severity of the problem is there in Argentina or Australia like it is in Canada, as it relates to the fish stocks.

And so we have a sort of a unique situation in the world, and something that I think can be recognized by a lot of the countries around the world. And of course, that area outside the 200 miles, that's still on the Continental Shelf, we refer to as the "nose" and "tail" of the Grand Banks.

The valuable stocks of northern cod, Grand Banks cod, American plaice, yellow-tail flounder, migrate in these areas. It is in these areas that foreign fleets have focused their efforts, in complete disregard for Canada's interest and international quota management.

Our officials having consulted with the fishing industry and the federal government, have estimated that in 1985 the fleets took more than two and a half times their legal quotas in this area. The foreigners were allocated 36,000 tonnes, but took a total of 86,000 tonnes. The Canadian harvest in this area is 145,000 tonnes. Our harvest, our quota, is 145,000; the foreigners illegally took 86 -- well, took 86 when they were only supposed to take 36.

This conservative estimate of foreign catch is easily three times that estimated only 2 years ago, and it could double again in the next 2 years. That 86,000 tonnes, if landed and processed in Canada, could bring sales of \$100 million and 2,500 jobs, as a good car plant in Ontario.

What is the solution to this international problem?

As an international fisheries issue, this matter is outside, of course, our jurisdiction as a province. I welcomed and supported fully the federal announcement that Canada will more strongly enforce its fishery regulations within our zone, but this is only part of the problem. To simply police the line will not solve continued overfishing outside the line.

We have reviewed the various international instruments available to Canada to address the problem. Canada has tried multilateral cooperation, through NAFO, the Northwest Atlantic Fisheries Organization; bilateral cooperation through allocations to foreign fleets for conservation cooperation, but these methods have failed to stop the overfishing. They have only put off the consideration of longer-term solutions.

Our preferred solution, as everybody must know by now, and the preferred solution of the Canadian fishing industry is for Canada to extend its fisheries jurisdiction to include the nose and tail of the Grand Banks. This would be a logical step to the successive national decisions by Canada leading towards new developments in international law. This would bring under single jurisdiction all of the most important fish stocks off our shores.

This, we believe, is within the spirit of the Law of the Sea, because, as I mentioned this morning, if a coastal state can have jurisdiction over all the land for minerals in the soil, then it seems awfully logical for that same coastal state to have jurisdiction over the fish that swim over those minerals.

Extension of jurisdiction has been supported by the Canadian fishing industry, by Canada's provincial fisheries ministers, and most recently by all the Premiers around this table.

Therefore, knowing that it is an international problem; understanding that and understanding Mr. Clark and the External Affairs peoples' position and understanding what the federal government has said - we want to be reasonable; we're always reasonable - I would like to take this opportunity to propose that we appoint a task force of senior officials from the Department of External Affairs, the Department of Fisheries and Oceans and interested provinces to document fully this problem.

Let everybody have an opportunity to see the facts, not just as we present them in Newfoundland. Let's document the problem and formulate a range of alternative



solutions for consideration at a federal-provincial ministerial meeting which would be convened for this specific purpose. So, we will take a reasonable approach. We would rather that tomorrow morning a couple of federal ministers get aboard the plane and go to all the countries in Europe and wherever, and tell everybody that we're going to extend the jurisdiction over fish like we have over mineral resources.

That might be a tiny bit radical. It might cause problems for Canada. So we would, as a back-up measure, ask for this task force, out of this meeting, if I can get agreement from all the First Ministers, to sit down, document the problem so that everybody's on side with the facts, and that it's just not a Newfoundland partisan approach to this thing, and then try to study ways in which, in consultation with External Affairs and everybody who's involved, to come up with ways that we can help alleviate this illegal foreign over fishing.

Then that would be sent to a federal-provincial ministerial meeting which would be convened after that was done. In this way, Canada may be able to take a strong united stand in the international community to protect our national heritage and the livelihood of our fishing industry.

Let me just say one more thing about fish, and it's simply this, and we talked about it this morning, and it deals with regional economic development. Here again, in the fishing industry in Newfoundland, in the same way as we can for the NATO base or Come-by-Chance oil refinery or Hibernia, if we're talking about regional economic development and we're talking about 27,000 fish persons and hundreds and hundreds of communities, it's extremely important that the Department of Fisheries and Oceans has the means to put the proper fisheries

infrastructure in place as a regional economic development tool for quality enhancement, for processing, for fish handling facilities, ice handling facilities.

If the Department of Fisheries and Oceans has that kind of budget then that can be a very effective regional economic development tool by itself and of itself. I make that plea on behalf of our Provincial Department of Fisheries and on behalf of the fishermen of Newfoundland and Labrador.

On regional economic development, and I'll say no more after I just give a few more statistics to highlight what I said this morning, total federal regional development expenditures increased by 65 per cent over the period 1976 to 1982, but in Atlantic Canada, the most disadvantaged region, these expenditures actually declined by 2 per cent.

Over the period 1976 to 1981 those two incentive programs that were set up for have-not provinces -- from 1976 to 1981 total federal expenditures under those two programs doubled, an increase of 100 per cent. In Québec these federal expenditures increased by 250 per cent. And, in Ontario by 570 per cent. These regional economic development programs.

So, all the money, obviously, as I said on the chart this morning, went somewhere else.

The other point I think, which is very important, and Premier Hatfield touched on it, what has happened in these programs and it has gone to Southern Ontario, and Northern Ontario -- I don't begrudge Ontario and Québec regional economic development money if it's going to the right place. Why is there a problem in Northern Ontario today? Chiefly because of what Premier Hatfield said: those incentive programs are private sector orientated programs, which, therefore, go to Southern

Québec and Southern Ontario. Meanwhile you've still got a problem in the Gaspé and you've still got a problem in Northern Ontario.

So, Northern Ontario is suffering in its way as a part of Ontario just as much as all of Newfoundland and Labrador is as a province of Canada. So, therefore, this refocusing of regional development monies and programs is extremely important if we're going to break the back of what everybody now identifies, from the C.D. Howe Institute to the Economic Council of Canada to everybody else, as this problem of regional economic development.

I rest my case.

THE CHAIRMAN: I thank you, Mr. Premier.

With your permission, we'll rise for a few minutes and come back and give the floor to Premier Pawley. Thank you.

THE CHAIRMAN: Colleagues, we're running a little late. I suppose we shall until the end of the conference -- we usually do -- with your permission we'll hear from Premier Pawley, and then turn briefly to the leaders of the -- the Government Leader in the Yukon, the Government Leader in the Northwest Territories, and we will then, pursuant to our agreement, wind up for tonight and begin again tomorrow morning. So can we begin with Premier Pawley?

HON. HOWARD PAWLEY: Mr. Prime Minister, you'll be relieved, I'll try to keep my remarks brief, but to the point. First I would like to just say a few words in respect to agriculture, and a few words in respect to the issue of economic development and equalization.

I would first like to commend Mr. Wise in the excellent work that he has done in respect to ensuring that we do have a deficiency payment. I think it's going to be major assistance insofar as the farmers of Canada are concerned. I know that you, sir, have had a great deal of time consumed in respect to this, but I believe that you have certainly gained an appreciation from many farmers in respect to the effort that you've put into this.

We have some longer term concerns that I would like to leave on the table. It's our view that the deficiency payment in itself is evidence of weakness in respect to the Western Grain Stabilization Program. I believe that we ought to be working towards ensuring that we obtain a more adequate Western Grain Stabilization Program. Though this is good for the short term, it's the long term that we're concerned about.

I believe the farmers need longer term support, and how are the farmers going to survive under the stabilization



programs when they pale in support, the extent of support that is being given to our major competitors in the European economic community and the United States.

I'm not particularly optimistic that we are going to witness a reduction in the support level in Europe in the next few years. I think the psychology in Europe is to support the farmers that went through a horrendous experience during the Second World War. They feel very firmly that they require a good farm sector.

So I'm not confident that we're going to quickly move out of this cycle. So I would urge that Mr. Wise and the provincial ministers work together to obtain a long-term program of stabilization, particularly with reference to the Western Grain Stabilization Program.

I would like to see some effort to tie in crop insurance, disasters, droughts insofar as a grain stabilization program is concerned to ensure the stabilization carries through, regardless of economic circumstances, climatic circumstances, so we have a good solid, long-term grain stabilization program, so that we can be ensured that there's a longer-term basis.

So I say, Mr. Prime Minister, we should attempt to revamp our existing support programs, removing the direct connection with world prices, or build on the Deficiency Payment Program on a permanent basis. In place of market prices, our criteria for adequate income support must be a target closely related to the costs of production.

I believe this is the only way our farmers can be afforded a fair chance to compete and to stay in business over the longer term. I would like to just say a few words as well,

Mr. Prime Minister, in regard to an issue that was raised briefly this morning, just so that you share with me the sense of direction that we come from in so far as the province of Manitoba is concerned, vis-a-vis equalization, because there was reference made by you to the equalization reductions in relationship to other federal economic development programs.

I would like to just mention that in our case our province is a small province. Equalization is based upon a formula, a formula that reflects the financial capacity of a province to raise revenues, and despite the improvements -- and you're quite right, there have been improvements in the Manitoba economy and certainly we've not been particularly shy either, Mr. Prime Minister, in talking about our low rate of unemployment, the rapid growth in investment, private and public, over the last few years, the extent of increased job creation.

I believe it's required the cooperative effort of all levels of government and the private sector, and it has worked in the province of Manitoba.

But I want to simply emphasize that it's required a great deal of expenditure provincially in order to do that. We've expended large sums of monies in regard to a Manitoba jobs fund; we've expended large sums of money in regard to our hydro development and that, in the long term, Mr. Prime Minister, is the goal. First, to keep our people in the Province of Manitoba, where they have been born, they want to live, they want to contribute towards the provincial community, but also, Mr. Prime Minister, we are seeking to be self-sufficient.

I don't like equalization payments. We, and I know Manitobans, want to be free of equalization payments. That is our goal to become self-sufficient, but Mr. Prime Minister, in the process of becoming self-sufficient, we are working from a very, very small base. We are now, as I mentioned, 90 per cent lower in Manitoba than in Canada as a whole -- the gap announced, to approximately \$2,200 in 1986, so we're still considerably less than the national average.

This means the province has still a lower capacity to raise revenue than the national average, and the advice that we've received is that we are looking at a \$43 million drop insofar as equalization payments are concerned next year, despite that increasing need.

Now, Mr. Prime Minister, we see the process of payment of equalization programs as a tool for economic development, economic development for provinces like Newfoundland and Prince Edward Island, and the province of Manitoba, so together we can, as peoples in those small provinces, reach a point of self-sufficiency, that we don't have to call on the general revenues of Canada, in order to help defray the costs of equalization payments. Self-sufficiency is our goal, not to be dependent.

And that, I believe, is the constitutional commitment enshrined in the Constitution that we embrace, the need, the requirement to recognize that Canadians everywhere should enjoy comparable public services, comparable tax levels. We strive for that, we move towards that equalization as a step along the way, in order to obtain that sense of self-sufficiency.

I believe we're doing it in the province of Manitoba, it's going to take many years yet. It's a slow process, developing our own resource base, the energy development which -- we've been doing it with our own provincial capacity in the main. We haven't been requesting much assistance from any other level, but it's going to result in foreign currency to Canada. It results in investment and job opportunities to our province, and we are going to achieve that point of self-sufficiency, Mr. Prime Minister.

And I'm glad that in the process we can minimize unemployment, but please, Mr. Prime Minister, I just say to you, because we have, over the last few years, favourable economic indicators, we are still running from behind, from a very small economic base to arrive at that point of being at the national economic average.

THE CHAIRMAN: Thank you, Mr. Premier.

Premier Ghiz, please?

HON. JOSEPH A. GHIZ: Prime Minister, I would just like to say a couple of words on the fisheries issue, and on the agricultural issue.

On fisheries, Prime Minister, I want to go on record as supporting the proposition from Premier Peckford of jurisdictional control over the fishery and the nose and the tail of the Grand Banks. And we recognize, Prime Minister, that 18



countries, 18 foreign countries are fishing the groundfish stocks on the nose and tail at the moment, and they're overfishing that supply, and that is a detriment to the fishing industry in Canada.

And I support the proposition to set up a senior officials group made up of federal and provincial officials. Prince Edward Island will gladly participate in that to examine the issue and to set out the alternatives for a resolution of this important issue to the fishing industry in Canada.

With respect to agriculture, Prime Minister, I would like to point out that for those who may not be aware, that Prince Edward Island produces 40 per cent of the country's potatoes. Potatoes is very big business in Prince Edward Island, but we've just come through a very difficult year.

The 1985 crop year was one of the most difficult years in the Island's potato history. Potatoes that cost 6 cents a pound to produce were selling for 2 cents a pound. Our potato farmers lost millions of dollars last year.

The crop was estimated at \$35 million. To break even, Prime Minister, that crop would have to fetch \$105 million. The family farm operators who grow the potatoes in Prince Edward Island cannot afford that kind of loss. It's placed an intolerable burden, not only on the farming community itself, but on the provincial lending institutions and as well, Prime Minister, on the banking community in Prince Edward Island.

So, I would say, Prime Minister, that the loss in potatoes to Prince Edward Island is just as important to us as the crisis for the grain producers in western Canada, and I would ask that the federal government through the Minister of Agriculture - and I know he's been talking to our Minister of Agriculture - also consider a deficiency payment to the Prince Edward Island potato producers for the 1985 crop year.

One other issue on potatoes, Prime Minister. We export 85 per cent of our crop. That's exported into the world-wide market. That compares with a province like Ontario, where they process between 85 and 90 per cent of the potatoes locally.

Now, the reason I draw that distinction is because the potatoes that go into the export market must be inspected by federal inspectors. The federal government has now a policy of imposing user fees for the inspection service and that is to the detriment of the Prince Edward Island potato producers, moreso than the potato producers in any other province of this country because of the fact that we do export potatoes.

We have talked before about our opposition to inspection fees for potatoes. I bring it to the First Ministers' Conference. I bring it to your attention, sir, Prime Minister, and I would ask that you consider the unique situation that the Island potato farmers find themselves in on the inspection fee issue and that the federal government alter the course of action that it is presently on to impose the user fees on potato producers.

I'll close there, Prime Minister, because I know that there are other matters that we want to conclude before we depart this afternoon.

HON. RICHARD HATFIELD: I want to speak to the issue that not only applies to Prince Edward Island.

And as far as the user fee is concerned, that was a matter raised to the Council of Maritime Premiers and we've made representation that it be removed. So, we're in this together, Premier.

HON. BRIAN PECKFORD: I know, and I apologize, but can we get agreement around the table for the proposal that I moved, seconded by PEI, to have this task force set up? Or am I rushing it? Cause I don't know what other time we are going to be able to do it.

THE CHAIRMAN: Is this the first motion or the second? The first motion is to keep Tom Siddon as Fisheries Minister for life.

HON. BRIAN PECKFORD: Well, I just assumed, Prime Minister, when I saw you smile and I -- like the smiles of this morning -- that it meant consent.

THE CHAIRMAN: With regard to the other one --

HON. BRIAN PECKFORD: The task force.

THE CHAIRMAN: With regard to the task force, we'll bring it forward first thing in the morning.

HON. BRIAN PECKFORD: Okay, sir, thank you very much.

THE CHAIRMAN: We're going to hear from the Government Leader in the Yukon and the government leader in the Territories, but before we do I would ask the Premier of Ontario to conclude the discussion on this agenda item.

HON. DAVID PETERSON: Prime Minister, just a couple of brief remarks. I think one of the advantages of a discussion like this is we get greater insights into each other's problems. Everything I know about agriculture I've learned from Devine -- and the Minister of Agriculture of Ontario too, but I -- and Johnny Wise, too, my goodness -- Wise lives in Ontario and he may just vote for me. You never know, I've got to say that --

Premier Peckford taught me everything I know about fish and of course somebody else told me that fish swim, so I'm quite an expert on that now.

But, you know, one of the things that I'm interested in -- some of the problems that Don Getty brought up and Bill Vander Zalm about the coal situation. I recognize our responsibilities in Ontario and I want to invite both of you to come to Ontario with your coal people and we'll sit down and try to look at our requirements and try to accommodate it with your particular supply situations. If we have to talk with the federal government about transportation in that regard I think it's in the national interest to so do.

HON. WILLIAM VANDER ZALM: Next Wednesday?

HON. DAVID PETERSON: Look, I'll take you home with me tomorrow night on the Redeye Special, Bill.

But, we're very anxious to cooperate with you in that regard. As you know, we have some long term contracts outstanding. There is some difference in the quality of the coal, but I think those are problems that are worth pursuing in the national interest, and I'd like to work with you.

Also, Don's question of the Syncrude project. which, again, is news to me. I wasn't aware of that. Those are areas where those of us that are concerned about supply in the long term, those of us that are concerned about the economy right across the country, we're very anxious and happy to talk with you about it if there's any potential solutions or cooperation to be reached together.

I think, Mr. Prime Minister, we should not give up our resolve on the question of interprovincial barriers. You've heard it again today from a number of people, as well as that interprovincial competition - that war of our treasuries against



each other, and it happens and you've heard Joe Ghiz talk about it eloquently and others -- and Bill Vander Zalm -- is so counter-productive to this nation. Perhaps we can even ask our ministers of Industry and Trade, who have been working on the inter-provincial barrier question, to discuss that question of the wars of the treasury with respect to industrial subsidies and the competition with each other.

As we go around these discussions there's, you know, an awful lot of requests for a lot more money for a lot of worthwhile, good projects everywhere in the country. We're going to have to use every single dollar we have perhaps a little more wisely than we have in the past, and not compete against each other.

This barrier problem, we are -- at least I think we made progress a year ago when we at least admitted we had a problem. It was the first time I think in the history of this group that we even admitted that they existed between ourselves. I won't give you chapter and verse in examples of the ones that I see daily, except that I will tell you that shortly after I became the Premier of this province someone showed me a contract that the government was going to sign. It was for bullet-proof glass or something in one of the provincial agencies, I assume probably a jail, but it might have been a school. You never know.

THE CHAIRMAN: If it was a jail, it was in my riding.

HON. DAVID PETERSON: Well, it could have been a jail.

THE CHAIRMAN: I'm glad to see you're doing business in Manicouagan.

HON. DAVID PETERSON: Well, we always try to help

the underprivileged, Mr. Prime Minister.

THE CHAIRMAN: We need all the help we can get. Tell Mr. Turner.

HON. DAVID PETERSON: We know that, Mr. Prime Minister, and we're doing our best, but some problems are even too big for this group, Mr. Prime Minister.

But, on that -- back to my example -- I don't even think I'll bring it up now. It's not even worth discussing --

But, you know, when a contract came to me and there was a different, a two or three million dollar contract, the difference of \$25,000, and I let it go out of the province. I wanted to make that statement. But I can tell you, many, many businesses in my province come to me with specific proof of a similar situation in other provinces and they don't get the contracts. I think that we're going to have to look at that very, very carefully right across the board to create the kind of free commerce and free competition that we all talk about.

One of the things we've talked about is new initiatives, small business and one of the problems in getting investment capital in the appropriate places across the country. Certainly Bill Vander Zalm's facing that with his problems with the Bank of British Columbia and other things, and I understand those problems.

One of the things that we've just inaugurated, and I commend it to you if it interests you, is a new program that we've instituted with the Ontario Chamber of Commerce. We're using their 160 offices to set up a, in a sense, computer dating service matching potential investors and investment opportunities right across the province. It is something we feel

could operate nationally. There's an infrastructure in place. It didn't cost us very much money, but we've got real expertise, computer programming and the Chamber of Commerce working on it. Already there's been enormous interest in that and that's one of our jobs, of course, is matching the right kind of capital with the right kind of project.

If you're interested in it I will share that information with you, and I'm sure that the Canadian Chamber and the various provincial Chambers would work with you in that regard. It's a cheap program that we think is going to yield real dividends.

And another program, because Joe Ghiz is so right, so much of this entrepreneurial energy in our world is women, and they have real access to capital, and we have a New Ventures Program that we virtually bank almost any idea. We're not banking assets, but people, up to \$15,000.00. The uptake has been substantial for loans for new business, and we think that's another constructive way to approach some of this latent entrepreneurialism, because I think we're coming to conclusions in most cases there aren't mega solutions to all the problems that we're facing.

Yes, we're looking at some big new projects and we have to have vision in that regard, but one of the keys to the economic success of this country is going to be to unlock that entrepreneurial creativity and talent that exists everywhere across this country.

It's very hard for the 11 of us to sit here and devise a solution that's going to solve all the problems in the country, but we can create an atmosphere and assistance for those people that can solve some of those individual problems and, you know, two jobs in Come-by-Chance is like 2,000 in Toronto, and we've got to look at it in terms of those perspectives and encourage that kind of thing, and those are just two programs I'm commending -- I've learned so much from you people today I thought I'd just share a couple of those examples with you, and if they're worthwhile, pursue them later.

Thank you, Prime Minister.

THE CHAIRMAN: Well, thank you, Premier, and thank you for the observations which are very helpful. We all get the impression I suppose from time to time that we're not listened to and we're not close to the action. I want to intro-



duce you to two gentlemen who really have trouble with isolation and alienation and who don't have the access that First Ministers have, and I want on your behalf to welcome both of them here today, and to invite Mr. Penikett, the government leader in the Yukon, to begin please.

HON. TONY PENIKETT (Government Leader - Yukon):

Thank you, Prime Minister. Prime Minister, fellow First Ministers, greetings from the top left-hand corner of Canada, and thank you for a few short minutes at this table. I also want to thank Premier Vander Zalm for his hospitality and say that I always enjoy coming down east here to Vancouver.

As northerners we are used to people referring to Canada from coast to coast as if the Arctic Ocean didn't exist. We suffer the national media suggesting that the nation consists of only ten provinces, and let me confess, Prime Minister, I wince when I hear CBC tell us that Manitoba has Canada's only NDP government.

It makes me wonder why the Territories so often are the afterthoughts of Confederation. Sometimes we even have reason to question the fairness of which the Prime Minister so eloquently spoke this morning, and which is of course the foundation of our Confederation.

For Yukoners the most immediate issue of fairness is the matter of addressing our aboriginal land claims negotiations. A land claims settlement is a fundamental building block in constructing a sound political, and economic future for the Yukon, and as soon as there is an agreeable new federal policy in this area we should be only months away from a settlement.

As we have been informed by the Honourable Bill

McKnight, the Minister of Indian Affairs, he is presenting to your Cabinet a new northern claims policy in the near future. I would strongly like to request that prior to discussion of this policy by your ministers that the two northern governments be provided with some opportunity to make known their positions. Fairness requires that this policy should reflect the realities with which northerners must deal.

In resolving the confusion over rights to land and resources, the settlement we envision creates the certainty necessary to remove impediments in developing our territory. Our economic future depends upon achieving a settlement as soon as possible.

The Yukon people, Indian and non-Indian, are anxious to conclude land claims. The desire and capability of the Yukon people to reach agreements must be matched by appropriate federal policies and resources for a made-in-Yukon solution to land claims to be achieved. We are ready. We hope the federal government is as well.

At the Shamrock Summit in Quebec Canada signed a Pacific Salmon Treaty with the United States. This treaty neglected to assign quotas for the Yukon River, and a fishery which has sustained people on this waterway for thousands of years was sold down the river. This was unfair.

The Yukon Territory depends on trade. Unfortunately, we import most of what we consume. We can also export annually hundreds of millions of dollars worth of minerals. Appropriately, we participate at the official and ministerial meetings on this subject, but we were not invited to First Ministers' meetings on trade.

When we protested a federal minister advised the

press that he would represent our interests, even though he neglected to discuss the matter with us. This we see as unfair.

Turning to tax reform. Let me assure you that the Government of the Yukon concurs with and supports the recent federal government initiative in this area. We are pleased to see that your Minister of Finance has taken the position that tax reform should include revision of the personal and corporate income tax bases, as well as sales tax.

Naturally the Yukon wishes to be assured that there will be extensive consultation with the territories as well as the provinces. This is only fair. The conditions that Yukoners will expect to be included in special regional considerations are the high cost of transportation into and within the territory, and the extraordinary costs which must be incurred due to our severe climate and sparse population.

In addition, Yukon revenues are affected by any major change in the federal income tax system. The impact of proposed changes must be examined closely to allow the Yukon Government an opportunity to adjust its fiscal planning. It is of a major concern to our government that federal tax revenues be raised by progressive, rather than regressive measures. This is only fair.

There is no valid reason why the majority of taxpayers should have to carry the burden of lost revenues for programs which benefit a select few who are quite capable of looking after themselves.

Lest I sound a tad provincial, Mr. Prime Minister, let me assure you that federal-territorial cooperation has done wonders for the Yukon economy. Only a year and a half ago we were a depressed area. With the aid and advice of Canada, Yukon

this year saw its largest mine put back to work. Joint federal-territorial agreements are stimulating our mineral, tourism and renewable resources sectors. A formula financing agreement with Canada is permitting us to upgrade our aging infrastructure. Soon we hope to sign a new industrial regional development program agreement which will assist our fledgling manufacturing and processing sectors.



By making job creation our number one priority in one year since we last met, the Yukon has had an increase of over 6 per cent in full-time employment, an 8 per cent increase in tourism, and 10 per cent in retail trade. The value of building permits in Whitehorse has doubled; there has been a 50 per cent increase in mineral exploration, and our economic forecast confidently predicts real growth of 6 per cent in 1986 and sustained growth in 1987.

We are actively pursuing opportunities for import substitution, local furniture production, fish farming and the expanded use of our forest products for fuel and construction.

Our government recently created an agricultural branch to improve our ability to produce food locally. Many Yukoners are working for the first time in years, but not everyone who wants a job has one yet.

Progress from here will require a more measured pace and a strong sense of direction. Diversification and expansion of our fish, farm, forestry and manufacturing sectors will take time, money and careful planning.

The first step in achieving a more diversified and stable economy is to identify the goals Yukoners collectively desire to work towards and our options for achieving those goals. As a consensus-building exercise, we recently brought together representatives from business, labour, Indian, women's and community organizations.

This project we call Yukon 2000 will expand through a series of public conferences, to incorporate consultation with every significant economic interest in the Territory. The end result, I hope, will be a broadly-based development strategy, which will guide the efforts of both the private and public

sectors through to the next century.

Throughout this exercise, I want to assure you we are counting on the counsel and cooperation of the federal government. We are working very well with federal officials in the economic field, but we are taking the lead, and that's as it should be. All we ask of Canada and its national institutions is that they respect our emerging role in Confederation.

In tabling a discussion paper on economic equality for women at last year's First Ministers' Conference, the Yukon Government made a commitment to work with other jurisdictions to see that concrete action be taken to ensure equality for women.

This document, "Towards a Labour Force Strategy: A Framework for Training for Women", is supported by the Yukon in recognition that training and skilled development are important first steps towards achieving women's economic equality.

However, like other jurisdictions, Yukon's major concern with this document is the fact that it does not address a key issue, namely that of the financial implications to advancing this initiative.

There is also recognition that much of the responsibility to advance women's economic equality is shared by different jurisdictions.

In the Yukon, a number of measures now being developed will affect both rural and urban, native and non-native women, and these include our comprehensive economic development strategy, the new Yukon Training Strategy, our Joint Commission on Indian Education and Training, as well as our government-wide plan of action for women.

I'd like to report as well that early in our

administration we recognized the need for an affirmative action program for certain groups in our community. To our alarm, we discovered that while Indians make up approximately 25 per cent of the Yukon population, they hold only about 4 per cent of territorial government jobs.

Half of our employees are women, but they hold only 20 per cent of management positions. We have found that people employed by our government do not reflect the character of the Territory's overall population. This is not fair, and as Yukon's largest employer, this is a situation we are obliged to change.

I should also advise you that effective January 1st, 1986, the Yukon Government implemented pay equity for its own employees. Presently, we are engaged in public consultations with a view to extending this principle to the private sector.

It is our view that adequate, affordable day care is a necessity if women are to employ their talents and energies in the work force. To this end, our government has introduced day care operating grants to encourage centres in both rural and urban settlements, and we have also raised day care subsidy levels.

Prime Minister, our government is seriously responding to the problems of industry and women, aboriginals and the under-employed. Frankly, we think we have something to say on everything on today's agenda, and would appreciate very much in future, a larger role in these affairs.

There is much of which we are quite proud, and Mr. Prime Minister, we would very much like for you to come and see what we are doing, for we are confident that you want to ensure that we are recognized as a valuable and valued contributor to the Canadian Confederation.

Je pense que mes dix minutes sont terminées.

Merci.

LE PRESIDENT: Merci, monsieur le Leader du gouvernement du Yukon.

I haven't heard such good French in the Yukon since Erik, but I thank you for taking the time, and I thank you for your excellent presentation, Mr. Leader.

May I turn to the Government Leader from the Territories, the Northwest Territories.



HON. NICK SIBBESTON (Government Leader,  
Government of The Northwest Territories): Mr. Premier,  
ladies and gentlemen.

I am very pleased to be here today and  
I am bringing you greetings from the people of the North.

Last year in Halifax, I described for you the  
various sectors of the territorial economy. I said then that,  
despite certain structural problems in our economy, the  
north was experiencing considerable growth and prosperity.  
Much has changed since then.

As in many provinces, the collapse of oil  
prices was a severe blow to our economy, especially in those  
parts of the north that are heavily dependent on the oil  
industry. Many northerners have lost their jobs and major  
developments in this sector have been put off indefinitely.

Together with the continuing low prices for base  
metals and ongoing problems in the fur industry caused by the  
anti-seal hunt campaigns of a few years ago, the downturn in  
the oil industry means that the territorial economy is facing  
little or no growth for the next two years.

At this point I would like to congratulate the  
Prime Minister on the interest he has shown in the economy of  
the Northwest Territories. In September he appointed an  
"Action Force on Arctic Initiatives" to respond to the present  
difficulties in our economy. This action force consists of  
three federal ministers and our two Northwest Territories  
Members of Parliament.

It is working with a ministerial committee of  
our government on economic development strategies. They are  
now exploring short-term measures that can be achieved within

the fiscal framework of both our governments to alleviate the present distress. More importantly, however, they will examine long-term strategies for economic renewal, including, but certainly not limited to, a northern accord on oil and gas.

While I could go on at some length about the difficulties faced by the people and government of the North, I prefer to concentrate on the positive, and I want to tell you that there is much to be positive about. The North is a vast storehouse of resources and wealths, and I believe that the development of those resources over the next twenty years could and should be a primary engine of growth for the entire Canadian economy.

Before that can happen, however, we will need a whole new way of looking at the Canadian economy and its relationship to the North. What Canada needs today is a "New Northern Vision", a vision that will focus our energies to unlock these resources for the benefit of all Canadians.

The concept of making northern development a cornerstone of the Canadian economy is not a new one. The late John Diefenbaker, when he was Prime Minister of Canada, talked often of his Northern Vision. He was well aware of the economic potential of the North and of the importance of the North in defining what is Canada.

I'm certainly aware of the interest of Premier Bourassa in northern development and the importance he places on it for Quebec's economic well-being. I'm sure that interest is shared by many around this table, and, indeed, by many people across Canada.

I'm confident when I say that the image of the north is central to the idea of Canada itself. Most southern

Canadians view the north and all it stands for as a basic part of their heritage and, I think, the key to their future as well. The popularity of the NWT pavilion at Expo 86 was a reflection of the fascination that the North holds for so many Canadians.

The new Northern Vision of which I have spoken has three main components: The settlement of land claims, the constitutional development of northern governments and the integration of the North into the Canadian economy.

Before significant progress can be made on strategies for northern development, the matter of outstanding land claims must be resolved. Aboriginal people have a right to share in the resources of the land they have traditionally occupied. They also need to participate in a meaningful way in the management and development of these resources.

The settlement of land claims in the north will achieve three results: It will provide people with enough land and resources to ensure that they are able to maintain traditional activities and to participate in new economic ventures. It will provide them with management rights to ensure that they always have a voice in how development occurs in the north. Finally, it will produce the climate of certainty that business, industry and government require to function.

Mr. Prime Minister, I am aware that cabinet is preparing to review a new policy on land claims. I urge you and your colleagues to be open and adopt positions that will encourage rather than delay the resolution of this important matter.

The first component, then, of a new Northern Vision will be the settlement of land claims. The timing for

this could not be better than now. Ten years ago Aboriginal peoples in the north opposed development. They were justifiably concerned. They were worried that development would occur without benefit to them and at great social cost.

Times have changed. Many Native people are now involved in business, either as individuals or through development corporations. They are willing, even eager, to join with non-Native northerners in pursuing new economic opportunities.

Time has also brought about changes in the people's relationship to government in the north. Twenty years ago government was seen as an institution imposed on people from Ottawa. Decisions about their lives were made from far away and with little northern input. It has been a long struggle, but Northerners have succeeded in transforming government. We now have responsible government, fully elected and accountable to the people of the north.



Like Canada itself, the Northwest Territories is still in a process of constitutional building. This process is one that must be completed by northerners themselves. During the past few years two major topics have dominated discussions of this issue.

First, division of the Northwest Territories into an east and western territory. Efforts to achieve this goal have not been successful to date. In the process of negotiating, however, all northerners have come to realize that for eastern Arctic residents, Nunavut is already a reality. Their aspirations for greater control over decisions affecting them must be met regardless of whether the goal of dividing the north is achieved.

The second constitutional issue facing the north is the need to build new structures of government. These will have to accommodate the differing aspirations of the eastern and western Arctic, and must also incorporate both the principles of public government and the rights to aboriginal self-government.

I have mentioned the development of northern government institutions because self-government for the north must also form a key component to any new northern vision. Unlike previous efforts at economic development north of 60, this one must occur with the full participation of the northern people and their government.

The process of devolving federal powers to the territorial government is giving us the mandate and the capability to manage our own affairs. The time has come to recognize that responsible government has arrived in the Northwest Territories, and I think this must be recognized in forums such as this.

The third component of the new northern vision must be a commitment on the part of Canada to integrate the north into the national economy. This will require a significant investment on the part of Canada to build the necessary links between north and south. Like the national dream that brought east and west together in Canada, the northern vision will not come easily or without sacrifice, but I suggest to you that it is not only worth the effort, it may well be essential to the future of Canada.

Integrating the north into the national economy is not simply an effort in regional development. Unlike the rest of Canada where natural north-south links often confound the efforts to build a national economy along east-west lines, geography in the north assists in those efforts. The creation of a northern economic strategy will result in benefits flowing to many different parts of Canada along the natural transportation and communication links that already exist.

Every job created in the north generally results in one or more jobs created in southern Canada. The recent shutdown of oil activity in the Beaufort may cost three or four hundred northern jobs, but this will likely result in three or 4,000 southern Canadians being put out of work. Canadians in the oil industry in Alberta, in shipping and supply in Vancouver and the high technology industries in Ontario have all been hurt by the slowdown in the north.

I have talked generally about the potential for economic development in the Northwest Territories. I would like to mention briefly three specific sectors of our economy. A great deal of money, much of it taxpayers' money, has been spent on the search for oil in the Beaufort Sea and in the High Arctic.

Ironically, just as it appeared that this investment would begin to pay off, the fall in oil prices halted exploration and has delayed production for an indefinite period. The Beaufort Sea has estimated reserves of oil in excess of 750 million barrels, and many experts believe that there is much more, and upwards of one billion barrels.

This summer an exploration well in Gulf's Molipak rig produced oil at the rate of 13,000 barrels a day, a rate exceeding most production wells in North America. I had the chance to visit Molipak in September and I was very impressed with the Canadian team and the Canadian technology that has been put together to exploit this resource.

The shutdown of the Beaufort will result in more than the loss of jobs. It will result in Canada losing the lead in technology for Arctic oil recovery, a lead we may never regain from our international competitors. I believe that ways must be found to sustain some level of oil activity in the north, if only so we do not lose what it has cost so much to achieve.

Another important sector of the territorial economy is mining. At present eight mines are operating in the Northwest Territories producing lead, zinc, gold, silver and tungsten. Surveys reveal, however, that far larger deposits of these and other minerals exist in the north. If these resources are to be put into production, governments must provide better transportation and better communication infrastructure.

We need to build roads to develop these resources. We need roads to the Keewatin along the Hudson's Bay. We need roads further down the Mackenzie. We need roads up to the Arctic Ocean to Tuktoyaktuk. These would provide long-term benefits for Canada while providing an immediate boost to the

northern economy.

The opening of the north through better transportation would also aid the fastest growing sector of the territorial economy, tourism. I have already noted the fascination that the north holds for many people the world over. Many Canadians would love to go to the north and to share a part of a land that is central to our national identity.

High costs, poor transportation and limited facilities are standing in the way of many Canadians coming north. A renewed effort at northern development would solve some of these problems and would provide Canadians with an exotic vacation in their own back yard.

A final component of a new northern vision is concerned with Canadian sovereignty. Over the last 20 years various intrusions have been made into the Canadian Arctic by other countries, and certainly has brought the matter of Canadian sovereignty to the forefront.

I want to assure you all that nothing could lay a stronger claim over the north than the simple day-to-day existence of Canadians living and working there and the quiet, effective management of the north by our government.

The recognition of the rights of Canadian aboriginal peoples who have traditionally dwelt in the north, the formation of a strong northern government, and the active development of the north as an integral part of the Canadian economy will all affirm the sovereignty of Canada in the Arctic far more completely and effectively than any other measure.

More importantly, it will do so in a manner that is uniquely Canadian, not by loud statements, but by quiet actions,



not by conflict, but by cooperation, not by revolution, Heaven forbid, but by evolution.

The process of nation building did not end with the construction of a national railway from east to west, nor by the adoption of a Canadian constitution. It is ongoing and continuing. I believe that as we approach the last decade of the twentieth century the process of nation building must include, and indeed focus on the north for the good of northerners; for the benefit of all Canadians a new northern vision must be part of a national dream.

Thank you, Prime Minister.

THE CHAIRMAN : Well, thank you, Mr. Sibbeston, very much. Thank you, both of you, for the excellence of your presentations, and the time you took to be with us.

Messieurs les Premiers ministres et collègues, je tiens à vous remercier de votre participation aujourd'hui. Le dialogue, je pense, fut constructif et civilisé en tout temps. Nous avons de toute évidence des divergences de vue, mais nous poursuivons tout de même des objectifs en commun.

In listening to the problems and hopes today, particularly on behalf of people from Newfoundland to the Yukon. I suppose a Canadian watching would have gotten a unique view of his or her country. We've got some serious problems and some splendid opportunities. And I think that they can only be dealt with and realized by our working together in the manner which First Ministers have today and have in the past. So my thanks to all of you for your serious contributions to this important dialogue today. This meeting is adjourned until 9:00 tomorrow morning. Thank you.

--- ADJOURNMENT 6:30 P.M. / AJOURNEMENT 18h30

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OF  
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PREMIERS MINISTRES

VERBATIM TRANSCRIPT

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(unrevised)

Morning Session of  
November 21, 1986

COMPTE RENDU TEXTUEL

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(non révisé)

Séance du matin du  
21 novembre 1986





--- 9:09 A.M. / 9h09

THE CHAIRMAN: Can we begin please, colleagues.

Yesterday we discussed and endorsed reports prepared by our agriculture and fisheries ministers pursuant to the Halifax First Ministers' meeting. With respect to fisheries, I understand that we all accept Premier Peckford's suggestion on establishing a task force of officials to examine the illegal foreign over-fishing problem.

If you agree I will ask Mr. Clark and Mr. Siddon to handle the necessary arrangements. Does this meet with your approval colleagues? All right, thank you Mr. Peckford, I'll communicate with you in that regard.

We begin this morning by addressing our third agenda item, Economic Equality for Women. At our November 1985 Conference in Halifax we discussed women's concerns, as it turns out, only briefly as part of the Economic and Social Development agenda item. We then agreed to reserve the first part of today's proceedings for a full working session on this item, and I'm delighted we did so.

I think it marks the first time the issue of equality for women has been the highlight of a formal agenda of the First Ministers' Conference, and I suppose all that says is that we're very late in the day for handling an item of such importance.

In many respects this is a transition generation. Canadians live in a time of increasing options and opportunities and this is especially true for women. The federal government is determined to ensure that, regardless of their choices, women will not be disadvantaged for reasons of gender.

Therefore, it is incumbent upon us, when we address economic equality, to eliminate the obstacles that exist in the workplace and work to resolve economic injustice elsewhere.

Nous devons nous attaquer aux problèmes qui se posent à toutes les femmes, quelles soient célibataires, épouses, mères, employées ou retraitées.

Nous trouvons particulièrement inquiétant le nombre de mères célibataires et de femmes âgées, ainsi que de personnes handicapées, qui vivent sous le seuil de la pauvreté.

Il faut tenter de mettre fin à l'injustice, où qu'elle se trouve et quelle qu'en soit la cause.

Une des premières mesures prises par le gouvernement a été d'étendre l'application de l'allocation au conjoint à toutes les veuves à bas revenu âgées de 60 à 64 ans, ce qui a permis à 42 000 femmes de plus d'en bénéficier.

En outre, mon gouvernement n'a pas tardé à prendre des initiatives visant à assurer une retraite plus sûre à tous les Canadiens, et surtout aux Canadiennes.

Nous avons, grâce à votre collaboration, conclu un accord historique en matière de pensions.

Nous avons apporté des modifications en vue de raccourcir la période de dévolution des droits de pension, de favoriser la transférabilité des pensions, et d'améliorer les prestations versées aux femmes en vertu des régimes de retraite d'employeur.

Nous avons apporté d'autres modifications afin qu'un plus grand nombre de travailleurs à temps partiel, qui sont surtout des femmes, aient droit aussi à une pension.

Furthermore, Canadians will receive improved benefits under the Canada Pension Plan, including credit splitting on marriage breakdown and retirement and survivor benefits.

Widows receiving Canada Pension Plan benefits will continue to do so even if they remarry. As well, the right to receive such benefits will be restored to those who have lost them. After marriage breakdown, too many Canadian women and their children experience unnecessary hardship because their spouses very simply refuse to honour support payments.

Earlier this year, Parliament passed an act that will substantially facilitate the enforcement of court-ordered support payments.

I think, and along with you colleagues, I hope, that these measures, with others, will improve the economic equality of women; it will help hasten the day when women will enjoy stable, financially secure retirements.

L'an dernier à Halifax, nous avons approuvé le document intitulé Cadre relatif à l'égalité économique pour les Canadiennes. Ce document, dans lequel nous avons affirmé notre objectif commun d'assurer aux femmes l'égalité économique, établissait un cadre permettant d'évaluer l'effet des politiques et des programmes économiques sur les femmes et jetait les bases d'une nouvelle action concertée.

Conscients de l'importance de la formation et du perfectionnement pour les femmes qui désirent améliorer leurs perspectives d'emploi, nous avons convenu de conjuguer nos efforts pour déceler et supprimer les obstacles qui empêchent les femmes d'avoir accès à la formation.

Depuis notre dernière conférence, les ministres responsables de la condition féminine se sont mis à la tâche.

Je tiens à leur exprimer toute notre gratitude pour la préparation du document conjoint qui s'intitule Pour une stratégie de la main-d'oeuvre - Cadre relatif à la formation des femmes.

Ils y exposent brièvement les obstacles qui empêchent les femmes de participer pleinement aux programmes de formation et d'études, des obstacles qui essentiellement reflètent l'inégalité de la femme dans bien des domaines de l'activité canadienne,

Outdated attitudes often mean that women don't have the sufficient financial or moral support to continue their education, or to improve their skills. Inflexible course schedules and the costs of travelling from northern and rural regions, compound the difficulties they face in obtaining such essential training.

Moreover, the lack of affordable and accessible child care, about which I'll say a little more later, presents a very major barrier for many women.

The Framework for Training highlights a number of measures governments can take to remove these obstacles. In so doing, governments would make a special effort to provide training opportunities for women entering or re-entering the job market; employed women who need retraining and skills upgrading, and women seeking to enter non-traditional occupations.

We want to work with all jurisdictions, work very closely with all of you, to change stereotypes about women, to include them in, for example, all apprenticeship programs; to adopt more part-time and flexible training schedules; to provide



the necessary supports for training, and to include language courses as part of training programs for immigrant and Native women.

I am well aware that many of these measures will require a commitment of funds. I believe that by adjusting our priorities -- and this should be a top priority -- all governments can meet the challenge to improve women's access to training.

The Government of Manitoba, I think the Premier has indicated, for reasons that the Premier will explain, will not be endorsing the joint paper. Nevertheless, I understand the other 9 provinces and 2 territories, as well as the federal government, are prepared to endorse the recommendations in the Framework for Training paper, recognizing that the measures outlined in it will take us closer to our goal of economic equality for women all across Canada.

I would welcome the efforts of governments, all governments, to go beyond the measures included in the framework. In doing so, we would reinforce our commitment to economic equality for women and augment the agenda for the coming years.

In view of these ongoing efforts, I would ask the Status of Women Ministers to keep us informed in a formal way on progress.

On behalf of the federal government, I am pleased to be able to report that significant action has already been taken in many of the areas identified in this paper. I draw your attention to the information package called "Achieving Labour Force Equality for Women" which has been circulated.

It outlines what we are now doing to provide more accessible and relevant training for women.

When we came to office two years ago we set to work overhauling federal employment programs, recognizing that they don't adequately meet the needs of Canadians, particularly women. We began as best we could to replace these programs that many people and many Premiers had criticized as insufficient and inapplicable, to replace these with a new job training and employment initiative - - the Canadian Jobs Strategy.

The numerical targets in the Strategy have already helped increase participation by women and much more important, have improved their access to lasting, productive employment.

Afin de promouvoir l'égalité d'accès aux programmes de formation et de favoriser une certaine flexibilité, nous avons établi un programme spécial destiné expressément aux femmes qui veulent réintégrer le marché du travail. Nous avons augmenté les allocations de formation pour permettre à un plus grand nombre de femmes d'en bénéficier. Nous offrons des subventions et des allocations à celles qui veulent suivre des cours à temps partiel. Toutes les stagiaires qui remplissent des conditions voulues peuvent dès là recevoir des allocations pour la garde des enfants. Les dépenses fédérales relatives aux allocations pour personnes à charge ont plus que doublé, passant d'à peu près 17 millions de dollars en '84-'85 à 40 millions de dollars aujourd'hui.

The Canadian Jobs Strategy, while not perfect, is proving very successful I think in responding to many of the needs women have for job-related experience and training. This is reflected in their rate of participation in Canadian Jobs Strategies programs. There's the way you find out whether it's working, whether the numbers come up at the end of the month.

In '85-'86 women's participation increased to 46 per cent of all participants, from 37 per cent under previous labour market programs. Their participation in the largest program, Job Development, now stands at 45 per cent compared to 34 per cent under the previous programs.

Participation in training for high-skill occupations is not as high as in other programs. Even so, the participation rate by women has almost doubled. I think we must all continue to explore ways to ensure women are represented more equally in all occupations.

We should not, however, ignore the encouraging fact that women are now, and quite properly, obtaining the majority of new jobs created since our government took office. Between September, '84 and October, '86, 610,000 new jobs were created in Canada at all levels as a result of great cooperation between all levels of government.

Of these, 350,000 went to women, and fully three-quarters of these jobs were full-time. By way of contrast, at the beginning of the decade more than two-thirds of new jobs for women were part-time, and this represents a very significant reversal of attitude and of result because now the result is endurable, ongoing employment opportunities for women.

Nous devons aussi intensifié nos efforts pour inciter les femmes à s'orienter vers les métiers qui exigent un apprentissage. Cette entreprise est d'autant plus difficile que les femmes ont toujours été faiblement représentées dans les corps de métier. Nous incitons les provinces à relever ce défi.

Pour que la situation change de façon permanente, il faut effectivement modifier les mentalités et les choix de carrière. À court terme, le gouvernement fédéral continuera de réviser et d'adapter ses programmes pour mieux répondre aux besoins et aux aspirations des femmes, et il cherchera à mieux définir, en fonction du marché du travail, les besoins des immigrantes et des autres femmes appartenant à des groupes minoritaires. Au cours de l'année qui vient, nous porterons une attention toute particulière à la Stratégie de planification de l'emploi dans le but d'apporter les correctifs voulus aux éléments qui ne sont pas en mesure de contribuer à la réalisation de nos objectifs.

The federal government, as Canada's largest single employer of women, is committed to ensuring the equality of women within its own work force. We trust others will be encouraged to follow suit.

We have taken steps to remove obstacles and increase the representation of women at all levels of the public service. Affirmative action targets have been set and Deputy Ministers will be held accountable. Within these measures, special emphasis will be given to employing women in non-traditional occupations.

The government has also taken positive steps to increase the number of women employees, who are eligible, for example, for maternity benefits. In 1984, just over 40,000 women



had access to the maternity allowance. Today, the number has doubled to over 89,000 women. This figure represents slightly over 99 per cent of the women employed in the federal public service.

The federal government has also taken a major step forward with its employment equity legislation. As part of this initiative, federal Crown corporations are now required to implement a program identical to that instituted by federal government departments. They are now required to report on the situation of female employees and submit action plans beginning in 1987.

Armed with this data for the first time, the Canadian Human Rights Commission can, itself, initiate investigations and assist employers as they strive to develop more equitable employment practices.

Nous avons également institué un programme à l'intention des entrepreneurs qui font affaire avec le gouvernement fédéral. Toutes les entreprises qui veulent obtenir des contrats de plus de 200 000 \$ du gouvernement fédéral sont maintenant tenues de mettre en oeuvre leur propre programme interne d'équité en matière d'emploi.

Le fait que les Canadiennes soient encore sous-payées est une injustice qui me préoccupe.

Les salaires offerts ne sont pas toujours fonction de l'offre et de la demande ni fondés sur une évaluation objective de la véritable valeur du travail accompli.

Pour ce qui est de la fonction publique, le président du Conseil du Trésor, monsieur de Cotret, a chargé un comité conjoint des gestionnaires et des syndicats de recommander

d'ici le mois de mars 1987, un plan d'application du principe de la rémunération égale pour un travail d'égale valeur.

Maintenant que ces éléments essentiels ont été mis en place, il est permis d'espérer que ce principe fondamental sera appliqué de façon généralisée dans un avenir prévisible.

The recent Throne Speech reaffirmed the Government's commitment to the full involvement of women at all levels of the decision-making process, and called for the private sector to look upon the progress of all levels of provincial and federal governments, as examples to follow or to emulate. We have made strides, by way of illustration, in increasing the number of women appointed to boards, commissions and agencies. When we came to office, women held 15 per cent of such positions. This figure has now been increased to 26 per cent and we are shooting for the kinds of equity that are required. We've placed more women in senior public service positions. For example, two years ago there were three women Deputy Ministers; today there are seven. There were two women in ambassadorial positions; today there are ten.

These simple facts don't tell us how far we've come. They simply tell us how very far we have to go. I don't want to read anything beyond that into those numbers. They're an indication of the tremendous road that we have to follow together before we achieve fairness and equity for women.

What is important is that the faces at the tables around the country are changing, not just temporarily, but permanently.

Let me talk for just a moment about the Government's important initiatives on enhanced trade. We are now pursuing bilateral discussions with the U.S. and multilateral negotiations within GATT. At both negotiating tables what we are seeking is a better future for Canadians -- greater opportunities for economic growth and more jobs.

Il est plus facile de s'attaquer aux problèmes d'inégalité dans un climat d'expansion économique. Ainsi j'ai la ferme conviction que de façon générale les femmes vont bénéficier grandement des changements que nous réserve l'avenir. Les possibilités sont plus nombreuses quand le marché est compétitif et en pleine expansion. Et j'ai confiance qu'un nombre croissant de femmes vont profiter des occasions qui se présenteront. Nous envisageons aussi des mesures pour encourager l'esprit d'entreprise dont font preuve les Canadiennes. Les petites entreprises contribuent dans une grande mesure au renouveau économique. Soixante et dix pour cent des nouveaux emplois au Canada ont été créés dans les petites entreprises. Le Secrétariat de la petite entreprise estime qu'une petite entreprise sur trois appartient aujourd'hui à des femmes. Le pourcentage était d'environ 18 pour cent il y a à peu près 10 ans.

Our last budget included a number of measures to facilitate the important role of small business in Canadian economic life, and in doing that was direct assistance to women who are profiting greatly by using their entrepreneurial spirit and genius in this particular area by helping in the job creation factor and by investing themselves in the future of Canada. Among the measures we took were the reduction of the tax rate on small business earnings and an increase in the ceiling for loans granted under the Small Business Loans Act.

I would like now to table a document that outlines more completely the federal government's priorities for women and describes our work plan for the next two years to promote the status of women in Canada. The measures included are directed specifically towards women and will ensure women's concerns are integrated at all times in government policy development and decision-making as regards the federal government and its agencies at all levels.

Toutes ces mesures constituent autant de jalons vers la pleine égalité des Canadiennes. Nous croyons cependant que l'un des facteurs qui contribuent le plus à perpétuer cette inégalité au pays est le manque de services de garde abordables, accessibles, offrant des horaires souples et des services de qualité. Il s'agit là d'un besoin évident. Près de deux millions de jeunes de 12 ans et moins ont des parents qui travaillent à l'extérieur du foyer. Les estimations peuvent varier, mais le sort de ces enfants laissés à eux-mêmes ou qui doivent s'occuper de leurs jeunes frères ou soeurs une partie de la journée doit nous préoccuper sérieusement.

Caring for children should be a concern for all Canadians. However, while it is a family responsibility, women



still bear the major share of child-rearing. If women are to have the opportunity to participate fully in the work force and feel secure in so doing, their children must have adequate care.

For many women, child care is the key that will open the door to future equality. It will make participation in training courses possible. It will offer the chance for productive employment. It will help close the economic gap between men and women. All of us, irrespective of background and political stripe, all of us - parents and governments and employers - must cooperate to find solutions for child care that we can and will act upon.

Le gouvernement fédéral s'est engagé à relever ce défi. En novembre dernier, il a chargé un Comité parlementaire spécial d'étudier la question dans le contexte des besoins changeants de la famille canadienne et de faire rapport à ce sujet. A cet effet, il lui a demandé d'examiner en profondeur le rapport et les études documentaires du Groupe de travail Cooke. Je tiens à remercier tous ceux, en particulier les femmes, qui ont fait profiter le Comité parlementaire de leurs connaissances poussées.

As you are aware, Shirley Martin, the chairperson of this Special Parliamentary Committee, recently informed the House of Commons that the report will be somewhat delayed. This is regrettable, but we should not allow it to deter us from the challenges we face in this area, nor shall we.

The federal government, through the tax system and the Canada Assistance Plan, already provides \$290 million to support child care services. In addition, the child benefits system, which is of substantial value and should be looked at, which includes Family Allowances and the Child Tax Credit and the Child Tax Exemption, accounts for more than \$4 billion in federal expenditures.

In examining future options for child care a key question obviously for all governments and all participants must be the cost of any new initiative. The federal government faces the task of deficit reduction and the challenge of doing more with less, as do all governments around this table.

Nevertheless, I want to state clearly that our commitment to a child care program is real, and that we are prepared to allocate substantial resources as our share of this important national initiative.

Nous devons nous pencher sur un certain nombre de

questions: Comment offrir des services de garde fiables, abordables et flexibles? Comment les rendre davantage accessibles? Comment en répartir les frais entre les gouvernements, les parents dans certains cas, et le secteur privé? Quelle proportion des frais devraient assumer le gouvernement fédéral et les gouvernements provinciaux? Comment implanter graduellement les nouvelles mesures? Y aurait-il lieu, au début, de s'occuper de certains groupes en particulier qui ont un besoin de plus en plus urgent?

Mon gouvernement s'engage à collaborer avec les vôtres afin d'étendre les choix offerts aux parents et de rendre les services plus accessibles et plus abordables sans en diminuer la qualité. Nous avons l'intention d'engager des consultations avec les gouvernements provinciaux. L'honorable Jake Epp entend d'ailleurs, à cette fin, rencontrer ses collègues au début de l'année qui vient. J'invite les ministres au niveau provincial responsables des services sociaux et de la condition féminine à faire de cette question l'une de leurs priorités au cours de ces délibérations.

I am confident that the outcome of our collective efforts will greatly benefit the children of this country and significantly enhance the quality of opportunity for women. It is incumbent upon us to assure positive results by our next meeting in 1987.

Chers collègues, les questions qui intéressent les femmes touchent toutes les sphères d'administration publique. Les gouvernements doivent donc agir de façon concertée, surtout dans une question aussi vitale et une question aussi humaine. On doit agir de concert dans la recherche de solutions justes et efficaces. Je crois que cette conférence ouvrira la voie à de fructueuses discussions fédérales-provinciales, et en particulier sur l'importante question de la garde des enfants.

I believe social responsibility is fully compatible with fiscal responsibility. We must continue the important steps already begun even in an era of restraint that affects all of us around this table, but nonetheless we must ensure without fail that the Canadian traditions of social fairness and economic equality are extended to all of the women of Canada. Only by allowing the talents and abilities of all Canadians, women and men, to flourish, will this country reach its full potential.

May I turn, colleagues, to two of our First Ministers who have distinguished themselves over the years in this important area of economic equality for women to lead the discussion this morning - Premier Hatfield and Premier Peckford.



HON. RICHARD HATFIELD: Thank you, Prime Minister.

At the First Ministers' Conference in Halifax last year, the Government of New Brunswick, at that time, made a commitment to the goal of economic equality for women.

We also endorsed a two-part strategy for labour force equality. To provide concrete direction and action, the New Brunswick Women's Directorate was asked to develop, in cooperation with Departments of Labour, Advanced Education and Training, and Commerce and Technology, a plan of action to improve training and employment opportunities for women.

Aujourd'hui j'ai le plaisir d'indiquer mon support pour le document national et de présenter le fruit du Groupe de travail du Nouveau-Brunswick. Ce document, qui s'intitule Vers l'égalité, la formation et l'emploi, un plan d'action à l'intention des femmes du Nouveau-Brunswick, décrit la situation actuelle de la femme au sein de la population active du Nouveau-Brunswick, et souligne les obstacles à la formation et à l'emploi que doivent affronter les femmes. Et surtout il définit les plans d'action pour l'avenir.

Trois de nos ministères, soit celui du Travail, celui du Commerce et de la Technologie et celui de l'Enseignement supérieur et de la Formation, se sont engagés de mettre en oeuvre des initiatives précises dans le cadre des budgets actuels.

A number of initiatives are already underway in New Brunswick, which support and encourage the training and employment of women. The Government of New Brunswick has initiated an Affirmative Action Employment Equity Program for women in the civil service, and we will be tabling an

annual report on progress in the legislature.

A strategy designed to encourage young girls to consider a wide variety of career choices has been developed. This strategy includes a television advertising campaign, complemented by printed materials, emphasizing the importance of course selection.

Two campuses of our community college system have on-site day care centres for the children of staff and students. A study bursary to assist female teachers with the costs of courses required to qualify for positions of leadership in the educational system has been introduced.

A major conference, co-sponsored by the Federal Business Development Bank and the Women's Directorate, provided women with an overview of strategies for succeeding in a wide variety of businesses and professions.

Perhaps more important than the present initiatives are the plans for future action. Three key departments, the Departments of Advanced Education and Training, Commerce and Technology, and Labour, are committed to undertake specific initiatives which will be carried out within existing budgets.

As training is our immediate concern within the two-part labour force strategy, my government is committed to implementing many of the options outlined in the national paper.

Future efforts in New Brunswick to address some of the training and employment needs of women will be directed towards achieving the following objectives: Increasing women's access to training and employment development programs, assisting women who wish to make the transition from work in the home to work in the paid labour force; eliminating sexism in teaching materials and practices; increasing awareness with respect to

the importance and benefits of career planning and occupational diversification into managerial and technical fields; sensitizing teachers, instructional staff and employers to the changing role of women in the labour force; improving support services for students in all community colleges; monitoring and improving the government's response to the training needs of women; providing students with positive female role models; encouraging women to consider becoming entrepreneurs and providing entrepreneurial training.

And finally, increasing the representation of women in all government boards and commissions. The kind of progress that has really been made, I must say, Prime Minister, at the federal level is enviable.

In the coming year, the Women's Directorate will continue to chair the Interdepartmental Committee on Training and Employment Opportunities for Women. The Committee will be expanded to include the Department of Education.

New approaches leading to labour force equality for young women and women already in the labour force will continue to be developed. Labour force equality is fundamental to economic equality for women.

I am pleased to present this document, which demonstrates our commitment to improving the social and economic situation of women in New Brunswick.

Thank you. Merci.

THE CHAIRMAN: Thank you, Mr. Premier. Premier Peckford?

HON. A. BRIAN PECKFORD: Yes, Mr. Prime Minister and fellow Premiers. This conference obviously represents a high point in the process we established as First Ministers almost two years ago in terms of addressing the specific concerns of women in Canada today.

Although we discussed women's issues in a general sense at our previous conferences in Regina and Halifax, this morning represents the first time really that we have dedicated a specific agenda item of special interest to women. I'm optimistic, therefore, that the visibility which this national conference lends the issue will encourage First Ministers and their governments to establish an appropriate framework through which new initiatives can be developed for women.

At this time I would like to commend our Ministers responsible for the Status of Women, who have provided us with an important policy document on economic equality for Canadian women. The document reflects a direction for governments to address the economic, social and structural barriers faced by women in the labour market. These problems are not new. The direction now being proposed has been discussed by others before us.

What is new, however, is that a process and strategy for action is seen as a priority on the national political agenda at the highest level in the land. I believe that the proposed strategy is a useful starting point in addressing the specific labour market concerns of women.

For our part, the Government of Newfoundland and Labrador fully supports the goals and objectives suggested



in this paper, and we are committed to following through on the proposals within our fiscal means to do so.

I would like to for a few minutes specifically discuss the ways in which the province of Newfoundland and Labrador is endeavouring to implement this new economic equality strategy for women. A major focus, as Premier Hatfield has said, of the new strategy is to improve training opportunities for women.

This is especially timely for the Government of Newfoundland and Labrador because in August of this year I announced, together with the Minister of Career Development and Advanced Studies, who is also the Minister now responsible for the Status of Women, a major reorganization of our vocational and technical schools within our post secondary educational system.

The reorganization will enable government to more effectively deliver a greater variety of educational and training opportunities to more people in their local communities. This will be of great benefit to women who, because of their traditional role in caring for dependents, often find it difficult to travel and to spend time away from home to take the necessary courses.

In particular, it will provide a greater opportunity for women to participate in courses such as applied technology, computer literacy and resource development courses, where in the past they have been under-represented. In addition, I don't know how many areas in Canada that are doing this now, we're going to try -- I talked to some people from British Columbia and Alberta a little while ago about it, some of the educators.

Our colleges and institutes will now provide an important brokerage function in delivering university level programs and courses throughout the province. This will enable people to explore career potential without travelling to larger centres, and before making a greater commitment of money and time.

By making the system more flexible, we will allow it to be adapted to the individual's needs. Besides increasing access to training, the province will pursue the development of a mechanism for transfer of program and course credits between colleges and institutions.

This too will aid women whose training may have been interrupted by family responsibilities or relocation and a wish to resume their studies. For those who have been out of school or the paid labour force for long periods, government will assist their re-entry through the delivery of continuing education courses, such as job readiness training and career exploration for women.

Another feature of our restructured post-secondary system will be the ability of the colleges to offer courses which respond to local needs. This means women can be instrumental in influencing course offerings in their area because it will be the boards of directors and the management of the community colleges and institutes who will decide upon the course offerings.

Expanded course offerings in early childhood education will vastly improve the delivery of child care services throughout the province, for example, and is one that we're now looking at and will be introducing. Our ultimate goal is to ensure a more representative placement of women in key

position in the public and private sector.

There has already been major improvements to our education system at the primary and elementary levels to assist us in reaching this objective. The changes at the post-secondary level will guarantee further development along this road. In the meantime, government as an employer is moving ahead in a number of other areas.

One, we have just concluded the first year of our accelerated Career Development Program for women in the public service. This program gave many women an opportunity to obtain career counselling, and develop new skills and work experience necessary for advancement in the public service.

Two, we are about to open a child care centre at the Confederation Building Complex for the children of our public employees, many of whom are women. This is the first workplace day care in the province, and government hopes it will serve as an incentive to other employers to address the needs of their workers as parents.

Thirdly, we have recently concluded collective agreements with some of our largest bargaining units in the public sector which provide for improvements to, among other things, maternity benefits and the introduction of family responsibility leave.

All of these measures help to create a climate through which the participation of women in the labour market can be enhanced. The Government has actively pursued a policy to ensure that women are represented, both in the executive of the public service, and on all provincial boards, agencies and commissions.

As part of our Affirmative Action Program, alternate

discretionary appointments to these bodies will be women until the proportion of females reaches 50 per cent. These do not represent token gestures by government; rather, they are a major part of our commitment to economic equality for women.

Oftentimes governments are accused of providing meager financial resources to deal with women's issues. As we can all appreciate, competing demands placed on limited fiscal resources do not enable us to expend massive dollars in all areas of public policy, despite their priority to governments.

Unfortunately, circumstances require us to make difficult decisions. Nevertheless, our Government is proud of the decisions it has made to spend the substantial dollars in the social sector. Our increased commitment to child care, social assistance, health care, post-secondary education, job creation and training, much of which is done cooperatively with the federal government through the Canadian Job Strategy, are positive examples where women's concerns are reflected in government policy.

When this is combined with our thrust in other areas, including the reorganized post-secondary educational school system, establishment of new training institutes, affirmative action, the benefits to women are substantial. We do not, however, intend to rest on our laurels as much more needs to be accomplished.

In the meantime our Government will forge ahead to meet our commitment to economic equality for women. We would welcome additional financial support from the federal government to assist the province in accelerating



progress for dealing with women's issues. A significant federal financial commitment will be required if the province is to implement the measures outlined in the strategy document, especially as they relate to child care and training and accommodation allowances to increase women's access to training.

At the present time we are actively exploring a number of initiatives in the employment and training areas. We are also reviewing a report that was just received from our Royal Commission on Employment and Unemployment, and will consider the possibilities of including many of their proposals as part of our future legislative program.

In conclusion, Mr. Prime Minister, I'm very pleased at the commitment First Ministers have made in discussing the strategy and support of economic equality for Canadian women. Never before have such issues been discussed in as comprehensive a manner by First Ministers in a major national forum.

Through increased cooperation and coordination of our effort between the two orders of government, further progress will be made. The achievement of economic equality for Canadian women will over time result in a more prosperous future for the women of Canada and for the people of our province.

Thank you very much.

THE CHAIRMAN: Thank you, Mr. Premier. May I turn to Premier Getty, please?

HON. DON R. GETTY: Thank you, Mr. Chairman.

Economic equality for women is extremely important to the Government of Alberta. Today is an excellent opportunity for the Government to make it clear that we are fully and actively committed to equality for women in all areas of our society.

I am pleased that for the first time we are addressing women's concerns at this table as a separate topic. Now, some will feel that this is a small step, but I believe it is a very important one.

The fact that this issue is receiving specific attention demonstrates in a positive public way that our governments are committed to ensuring that women participate equally in all areas of economic life in Canada.

Now, the issues surrounding the goal of economic equality for women, as we all know, are varied and complex. There is no single solution. Yet our discussions here are invaluable as we share knowledge, experiences and ideas with each other.

Within Alberta, we have recently announced a number of initiatives to enhance women's economic equality. In June, our Throne Speech announced the development of a government-wide plan of action for women which will focus on employment, education, participation in public life, social services and health.

This plan is a positive commitment and will provide a framework for enhancing women's equality within the province.

The Alberta Government's commitment is further demonstrated by the creation of the Alberta Advisory Council on Women's Issues. We were pleased to announce the appointment of 14 members to this Council last week. The Council will, I know, be instrumental in bringing before the Government the concerns of individual women, and women's organizations from all across Alberta.

This will help us in formulating or refining policies which are sensitive to their needs. Now, as you indicated, Prime Minister, the issue of great importance to the achievement of women's equality is child care. All of us who are parents, or who have friends or sons and daughters who are parents, realize the importance of being able to access quality child care.

We believe, of course, that the best quality child care comes at home and is the clear responsibility of parents. But if women are to participate fully and confidently in the work force, it is essential for them to have a broad range of quality day-care alternatives.

My Government's commitment to child care has resulted in one of the most accessible and affordable day-care systems in Canada, with an expenditure estimated in excess of \$60 million this year for 33,000 day care spaces in Alberta. This slightly exceeds demand on a province-wide basis.

In addition, Alberta has the highest female labour participation rate of any province in Canada, 61 per cent. As part of this increasing participation, we are seeing a dramatic rise in the number of women entrepreneurs. The Government of Alberta is supportive of this trend and is taking additional measures to encourage women in small business.

Businesses started by women constitute an increasing number of all new businesses in our province, and we are pleased that they are highly successful.

The Government of Alberta is also increasing career development opportunities for women in the Alberta Public Service. Our Personnel Administration Office offers a wide range of training and career development courses for women.

While many improvements have been made, we recognize that more must be done. Therefore, new strategies which make greater use of job rotations, secondments and educational assistance, are going to be implemented.

Facilities which provide skill and aptitude assessments, career counselling and career information are being enhanced. We are confident that these measures will further women's advancement within our public service.

I believe that these changes are important because there should be greater access to the decision-making process for women.

I must say, Mr. Chairman, I was pleased to receive the Ministerial paper on training for women. I've reviewed the paper and endorse its recommendations. It provides all of us with an excellent framework for further developing policies and programs with respect to the training and education of women.

I congratulate our Ministers responsible for its preparation.

Our Government will be reviewing these over the coming months to determine how best they might be implemented. All occupations should be as possible for women as men,



including the important role of homemaker, for those who are able to, and who choose to spend full time raising a family.

I can't imagine a more fulfilling and self-satisfying career, with heavy responsibilities and challenges, but full of love, warmth and caring.

Economic equality for women will be influenced by many factors. We believe that increasing education and training opportunities for women will be a major step towards achieving this goal.

Recently, we have been examining a number of policy and program options to address the problem of under-representation of women in training programs within our province. As a result, new initiatives will be introduced to ensure that teachers, counsellors and other educators are aware of the obstacles which affect the education and training of girls and women.

These obstacles include the long-standing traditions and attitudes about women's roles. Such beliefs may have an impact on the self-image and aspirations of girls, and on the attitudes of educators and employers. We believe then it is essential that awareness of the changing roles of women, and of the new career opportunities available to them, be increased.

In order to encourage girls to consider a wider range of career alternatives, particularly in non-traditional occupations, mentor programs to provide role models and work experience programs in non-traditional occupations will be developed in Alberta.

In addition, new efforts will be made to ensure that the necessary materials, support mechanisms and

introductory programs will be developed at the post-secondary level, to encourage women to consider training for non-traditional occupations.

Also, a promotional campaign is being introduced to encourage girls and women to maximize their career options, through appropriate career choices.

Other awareness campaigns aimed at employers and the public at large will focus on the changing roles of women in our society and on increasing career opportunities.

We recognize also that immigrant women, women re-entering the work force and others may need special assistance before they can pursue post-secondary training. As a result, in Alberta, programs such as academic upgrading, vocational preparation, job readiness and language training, will continue to be made available.

The costs of education and training, the scheduling of courses and various program requirements have been identified as barriers to women. In recognition of this, we will continue to monitor closely our student financial assistance programs to ensure that the amounts provided do not inhibit women's participation in training.

Further, we will work in cooperation with post-secondary institutions to determine where changes in admission requirements, course scheduling, and opportunities for part-time study, can be made to increase accessibility.

Mr. Chairman, in conclusion, I wish to reaffirm Alberta's deep commitment to achieving economic equality for women. While exciting progress has been made, and new initiatives promise future advances, we recognize that we are not there yet. We have a way to go.

Achieving equality for women is a complex challenge. There are no quick and easy solutions, but we must continue to work at it. Alberta will continue. We will continue to strive towards women's economic equality because greater and more meaningful participation of women in the social, economic and political life of Canada, means a richer and more vibrant nation.

Thank you, Mr. Prime Minister.

THE CHAIRMAN: Thank you, Premier Getty. May I turn now to Premier Peterson.

HON. DAVID PETERSON: Thank you, Prime Minister, and may I congratulate you for this modest historical step of putting this item on our program as a full agenda item. It's a significant step and I congratulate also Premier Hatfield and Premier Peckford for their leadership in these issues over a long period of time.

Prime Minister, I'm not going to recite all the things we're doing in this particular area in our own province. As you know, we've been aggressive and I think progressive in a number of these areas. Shortly after we assumed office we brought in 10,000 new subsidized day care spaces, and a number of other initiatives that hopefully will yield some significant results in the long term.

I also want to say that our province does support the training strategy that was agreed by and large as a consensus document among this group, and I think that's a constructive first step forward, although I should say that in almost every respect we're way beyond this at the moment. I understand the need to create a base level of understanding and it's something I think that can be updated as we all move forward, and there's increasing sensitivity and action on these issues.

Because Ontario's vision of equality for women is one that recognizes that women's issues indeed are societal issues. They're family issues, they're men's issues and they can't be divorced from any other policy initiative that we're taking.

I was particularly impressed with Premier Ghiz yesterday talking about entrepreneurial talent and talking about how economic development policies have to be considered in the



context of how they relate to women's initiatives. We do know, and we have statistical evidence, that some of the most active entrepreneurial activity in our province is in fact coming from women. They have traditional problems of access to capital and things are a little tougher for them than it has been traditionally for some men, and we're trying to bring in programs in that regard to unleash that entrepreneurial talent, particularly, as Premier Ghiz says, in the service sector.

It's amazing to me how far we've come. I heard a word yesterday, Prime Minister, I'd never heard before. It wasn't fishermen. It was fish persons. I had never heard of that word before, but it just shows that Premier Peckford has taught me a lot in that regard and he's going to rewrite the dictionary of the world.

THE CHAIRMAN: I'm sorry, Premier. We use it all the time.

HON. DAVID PETERSON: Do you? Well, you see, you're way ahead of me again, Prime Minister.

As you know, we've made a number of initiatives on family law reform, bringing our statutes into confirmation with the new Charter, child care, pay equity and other things.

I want to speak briefly about the pay equity issue. We have introduced into our House a bill that will bring pay equity into the public service, something long overdue in our province, and there has been some initiatives at the federal level.

Shortly, we will be bringing a bill into our Legislature, and that is in a matter of days or weeks not a matter of months, ie. before Christmas, a bill that will extend pay equity to the broader public sector as well as to the private

sector - a significant new initiative that we think is going to have an impact. The minister responsible is with me today and a great deal of work has gone into that. We think it's going to have a significant impact to rectify some of these measured and acknowledged pay differentials between men and women doing essentially the same job.

It is a new policy initiative. It's in some ways uncharted territory. It is a huge question to address and we'll be happy to share our experience in that particular regard with all of you as it develops. I don't want to underestimate the difficulty of this. On the other hand, I can't overstate the need for this either. So, we are moving ahead and will share that with you and share our experiences that may be helpful to you.

Prime Minister, I want to address the issue of child care. You've made a number of comments on it that I agree with, but I think you said it yourself. It is a financial issue. We're familiar with the Cooke Report and others. We know that a universal program in child care is extremely expensive and would absorb every single resource we can put into it.

But, I think we have to recognize it is that, and we can't just walk away from it doing new studies and new reports. We know the issue and we're going to have to address it as best we can on a national basis and provincial basis, and hopefully a cooperative basis, using the strengths that we have.

There are people who say we should approach this issue from the point of view of the income tax system. I think that improvements and coordinations can be made in the income tax system, but, that being said, the Income Tax Act, in our view, is not a proxy for a child care policy. There are other things we can do in that regard.

I noticed that you mentioned today that you would like to have a -- you asked Jake Epp to hold a meeting on the issue in the very near future. My suggestion, Prime Minister, is that you invite the Finance Ministers as well; that we widen this thing out, recognize that it is a financial issue. By and large the policy decisions we've agreed on, but we've got to look seriously at the financing of child care. It's going to require mutual support from all.

Our recommendation is that we invite the Finance Ministers, the Ministers responsible for Social and Community Services, as well as the Ministers responsible for Women's Issues, to attack this problem together and recognize it for what it is.

I'm suggesting, and I'm going to move, seconded by Premier Peckford, and the reason I chose him is because I supported his motion on fish and the Grand Banks so he owes me one in that regard, and I'm sure if he was here he would support that; that we have that conference within six months and Ontario would be very pleased to host that or co-host it with your help, to address the following questions:

1. A national set of principles for child care, such as the most appropriate balance between the need for minimum standards and the need for maximum flexibility.

2. An incremental process to harmonize all of our efforts.

3. A framework to delineate between federal and provincial responsibility.

4. A fiscal framework to ensure sufficient support and appropriate sourcing.

I'm happy to tell you, Mr. Prime Minister, that

it's an issue we have been wrestling with fundamentally in our province. We believe that we have to take it from a welfare issue, as it is being treated now, to a public service issue, and that requires not only a major philosophical leap forward but also a financial leap forward as well.

We will be introducing -- have fundamentally changed our approach on the question. We will be introducing direct operating grants shortly, as well as income testing that will put substance to our new approach to child care.

HON. DON GETTY: ... what about the role of parents?

HON. DAVID PETERSON: Fine Donald, I have no problem adding those kinds of issues but I think we can't run away from the financing questions involved here that are going to involve all levels of government and, hopefully, harmonization. So that's the specific suggestion I have for you, Prime Minister, and we treat it in that regard.

I endorse many of the remarks made by my colleagues, and by yourself, sir, today. One of our collective jobs is to elevate the consciousness level to education, training and other mechanisms we have, other institutions that we control, to bring full economic equality and participation.

One of those ways, obviously, is to encourage more women into politics. You have groups like the Group of 94, whose aspiration is to have, I believe, half the Members of Parliament women by the year 1994. I think it's a laudable goal, and I look forward to the day that half of you guys are replaced by women. We'd probably get along a lot better, that's all I can say --

But, I do compliment you, Prime Minister, on these new initiatives. I hope that we can take those areas that we have in common, on the tough issues, particularly the financing issues, and deal with them and not just put them off through another report. You're aware, as I am, of the great long list of reports



If I may, Mr. Chairman, I would like to invite our Attorney General, the Minister responsible for women's Issues, to say a few words and deal with some of the other initiatives and some of the kinds of things that we're doing that Don Getty is doing as well in Alberta with respect to not treating women's issues as just -- in a blanket sense -- but treating some of the segments of it, immigrant women, new women back in the work force, and things like that, as issues as well. Ian?

HON. IAN SCOTT (Attorney General and Minister responsible for Women's Issues): Thank you, Prime Minister, the importance of today for the women of Canada of course cannot really be underestimated, but before we congratulate ourselves too much it's perhaps appropriate to look at the history of this issue and the place of women in our community.

Twenty-five years ago, of course, women's issues was regarded as a human rights issue, and it was and is, but I think now we recognize that the heart of the issue is an economic issue that concerns all Canadians, men, women and children.

If you look at the demographics in Ontario you can see something of the dimension of the problem that confronts us, and Ontario in this sense is not untypical. Twenty years ago twenty-five per cent of the full-time work force in Ontario was women. In a short period of time we have almost doubled that so that in Ontario forty-four per cent of our full-time work force are women.

Probably within the decade we will hit 50 per cent, and if you include part-time workers it will be clear that over half the people who build our economy, who increase our

gross national product are women.

There is a wage gap between men and women that is approximately 36 per cent. Everybody thought with an increasing influx of women into the work force that gap would close. The reality is that it has not closed, and in 20 years when the work force component that was women almost doubled, the gap closed only two per cent.

Women are working, of course, not as an indulgence, but because they have to. Almost half the women who work in our province, and I'm sure this is true in other provinces, are single, widowed, or divorced, and are often the sole support of themselves and their families, and almost 90 per cent of single parent families in Canada are headed by women.

The problem is not only one of dollars. It's a problem of placement. If you look at the 500 Census Canada categories for jobs you will find that women, though almost a majority in the work force, are a majority in only 20 of those 500 job categories, and those 20, as you might guess, are very near the bottom of the economic pyramid.

So while much has been done in the last couple of decades, we have barely made a start on what is an important national economic problem. Our Premier has talked about pay equity and has referred to the current bill in our legislature and the one that will be introduced shortly, but surely we all recognize that our response to this problem has to be multifaceted.

We have to talk about pay equity, we have to talk about employment equity, we have to talk about child care, we have to talk about training, and, as Premier Getty does,

we have to talk about education so that girls and women can begin the educational process on a level playing field, to use appropriately an economic term, and get into non-traditional jobs.

No single solution is going to approach the resolution of this problem, and I know the Premiers, and you, Prime Minister, will want to look at a multifaceted approach of which the training paper today is an important component. In all that I ask you also to recognize that women are not a homogenous group.

We're finding in Ontario, and I'm sure it's true in other provinces, that major initiatives are required to meet the needs, the special needs quite often, of women who are doubly disadvantaged, visible minority women, immigrant women, Native, northern and rural women, aged women, and disabled women.

The first phase of the program must be to deal with women's problems as an economic problem, but also the second phase must be to deal with these specific groups, often doubly disadvantaged, who present a real challenge for the development of our economic policies.

Much can be done. We know, for example, that women are among the most successful entrepreneurs in our communities, and Ontario has advanced some programs that are designed to encourage that entrepreneurship.

I'm delighted that the President of the Ontario Chamber of Commerce is here because his program called Computer Ontario Investment Network, or COIN, is a program that is designed to promote female entrepreneurs in our province. Also in the province, and I'm sure other provinces are looking at

it, we require amendments to the Pension Benefits Act which will significantly improve women's retirement income and make it less likely that they will have to look to public resources for assistance at that stage in their life.

In our new training strategy we are looking, as I'm sure other provinces will be looking, at special initiatives to help bring women from remote communities into training programs. These women are often in native communities or in northern communities.

We've also instituted, and we'd be delighted to share our experience with other provinces, a new distance education access network for northern Ontario which will use advanced technology to bring the classroom to the female student at a cost of \$5 million annually over the next four years.

We are expanding because it is part of the solution, as it has been part of the problem, public education programs to deal with family violence, and targeting Native women and immigrant women in that. We are also fine-tuning our race relations policy in Ontario which emphasizes a commitment to equal treatment and opportunity for all our residents to the particular needs of immigrant, Native and northern women in the province.

As the Minister responsible for Women's Issues I know my colleagues and I who bear that responsibility in each of your governments are delighted to see this, Prime Minister, as a distinct agenda item for the first time in the history of these conferences.

We're conscious, as we know you are, of the importance of this problem as an economic problem. We are conscious of the distinct gains that have been made, but we are



conscious of the necessity in a wide range of areas to move as aggressively as we can to resolve this new need, not because justice requires it, but because the gross national product and the economic health of our community requires it.

So, Prime Minister, in Ontario, and I'm sure I speak for some of the other provinces, we're delighted to be on the front burner.

THE CHAIRMAN: Thank you, Mr. Scott.

Turn to Premier Devine, please, and then we will adjourn for a few minutes and come back with Premier Pawley.

HON. GRANT DEVINE: Thank you, Mr. Prime Minister.

I want to make four points on this very important topic. The first observation is that I am very glad that we are discussing it here, and what I hear around this table makes me feel good, because we are focusing on the opportunities for women and the contribution that they're going to make, and not entirely leaving our discussion on the problems or the victims or often just the difficulties, but the excitement that we can generate.

And I want to talk about three or four things that are going on in Saskatchewan that I believe have some implications for the rest of the country.

My first observation is this, and it surprised me, but it is very relevant. In the province of Saskatchewan, 49 per cent of the small business owners are women, and we find success in new businesses are being attributed to women, almost in a ratio of 3 to 1. So if you look at the new business and you watch how it operates over a period of 2 to 3 years, you will find that women are successful well over twice as often as men are, and they are making significant contributions to the small business community. Again, as I point out, 49 per cent of the people in small business in our province are women.

Now, that leads to some interesting concepts and one that I want to spend a little bit of time on is the fact that most businesses, and particularly small businesses

in our province, and I would suggest across Canada, do not have pensions for their employees, because they will go to an insurance company and they will find out that it's just too expensive to put together a pension operation for their employees, so they don't have one.

A couple will start a new business, and they will be relatively successful. They may employ 5, 10, 15 or 25 people, and the couple doesn't have a pension package for themselves, their employees don't have a pension package, and we find that particularly with women starting new businesses, and the difficulties that they have in getting financial assistance from banks and what-not, because it hasn't been fair, that they run up against some barriers with respect to financial security. That's the first thing.

The second is if you look at the elderly in our province, 60 per cent of the single poor over 65 are women, so we had a situation that we have no real financial security for an awful lot of people that are trying to build and are very productive in our society starting new businesses, and have been successful.

As you look into an aging society, you find out that the majority of people there that are poor are women. The younger generation can't get access to financial security with respect to pensions, and the seniors don't because we haven't built one in the past, so you've got a combination of an opportunity plus some problems that needed to be addressed in one piece of legislation.

Now, Mr. Prime Minister, I want to point out that we did, and we introduced a piece of legislation in Saskatchewan called the Saskatchewan Pension Plan, which is

pioneering legislation in North America, not only in Saskatchewan, but across Canada and across North America, and I want to give you a couple of examples of how it works, so that the people across the country that are watching us today, can look at it very carefully.

We decided that homemakers, women in business, employees, part-time employees, single women, elderly women, people across the Peace in Saskatchewan, needed financial security at retirement, and we also felt that they should be contributing towards it, so that we have people building up their savings, so when you look towards retirement, that it's going to be a combination of their money, not just the government's money, but their money and our money working together.

The second thing is with more and more women starting new businesses and creating economic activity, we should provide pension legislation for all the employees. Now in the province of Saskatchewan, no employee, not one, no person in Saskatchewan, needs to worry about retiring without pensions, so we introduced the Saskatchewan Pension Plan, and it works like this.

If you contribute \$15 a month or \$18 a month or \$25 a month to the Saskatchewan Pension program, the Government of Saskatchewan will match it, match it, 100 per cent on your money. And if you miss a month or you can't make a month or you miss two or three periods, it doesn't matter. Year after year after year it's added up and the Government of Saskatchewan will match your contribution and we will invest it for you.

If you put in, for example, \$25 a month and you started when you were 30 and you put it in until you were 55, when you retire you have a thousand dollars a month for life



pension, no matter where you live in Canada, it doesn't matter, the Saskatchewan Pension Plan will honour your contributions.

Now, \$16 a month or \$18 a month or \$25 a month is not prohibitive, and people in our province have become very, very interested in this legislation. Initially, there were about 2,000 inquiries a week, I think we've had about 8,000 applications and 18,000 expressions of interest, and we've just started it. Much higher than the European experience or other places that it's been tried around the world, and particularly among women, particularly among small business employees, particularly among small businesses generally, because they haven't had pension legislation to protect them as they build the new opportunities for people.

I want to say that the taxpayer enjoys it as well, because as people retire and more of us live longer and we have an aging population, we are looking after ourselves as opposed to just asking the government for more money as we retire, and that's a very important principle.

In other words, as my Deputy Premier will point out, you have to dig into "HIP National" yourself, pull out a few dollars, and the government will match it, and not many other places can you get a hundred per cent on your money. So if you put up \$15 a month, we are giving you a hundred per cent on your money, then it's actuarially sound, and when you do retire, you can receive up to a thousand dollars a month for life, which you have contributed, and it's a savings plan that is there for some time, and it reduces welfare costs at the end of the day.

Because if you don't have financial security then somebody is going to be looking after you and obviously

it's going to be either the federal or provincial governments, or some combination thereof.

Well, I point this out because it is very popular, not only among the business community, but among homemakers, among women, among people who haven't had a chance to build financial security and for women particularly in the province of Saskatchewan, it's been very well received, and I would consider it for other Canadians, Mr. Prime Minister, and certainly Americans. Governors are phoning me and asking how could we learn more about the legislation and so forth.

The other point I want to make is that we see women very much involved in the diversification process that we're into in Saskatchewan, and the ideas that we suggested yesterday, and we would like to host a Western Diversification Conference, where we could incorporate women and our whole economic activity in Western Canada towards diversification.

The new technology, high technology, the human resource of particularly women, and we would like to set up a Western Diversification Agency with the federal government as a joint venture, which could focus on the new opportunities, not only nationally but internationally, for men and women, but particularly because of the stats we have in Saskatchewan, 49 per cent of all the small businesses are now owned by women, they're an aggressive force, and a great opportunity for us, and we want to make sure that we capture that.

Finally, I would just point out, Mr. Prime Minister, we have made many changes in recent times, but we've got a long ways to go. Thirty-seven per cent of our appointments to boards and commissions have been women recently. We endorse much of the task force recommendations,

we've implemented most of them, I think, as David Peterson points out, or somebody pointed out, that we're frankly ahead of that, but we've adopted it and we endorse it.

We are looking at making additional changes with respect to decentralization, providing opportunities for women. We're setting up a new Department of Human Resources, which will include many of the things that women are trying to do, so I want to say that the exciting part of the Saskatchewan economy today focuses very much on what women are doing in developing brand-new opportunities.

With some unique pieces of financial and social legislation, new instruments that allow people to build and invest in the future, we can open up a floodgate of energy and talent that we haven't seen before, and I would be glad to share the information with others, and certainly would look for suggestions on how we could make it better in the future.

Thank you.

THE CHAIRMAN: Well, thank you, Mr. Premier.  
With that, on this note, we will rise for a few moments.

Thank you.

--- RECESS / AJOURNEMENT

THE CHAIRMAN: May we begin by turning to Premier Pawley, please?

HON. HOWARD PAWLEY: Thank you, Mr. Prime Minister.

The topic of women's equality is once again on the national agenda, as it should be. The issue is crucial to the general economic recovery of our country, one which must be dealt with in a serious comprehensive way. We're talking about the economic well-being of half of Canada's population.

Last November at the First Ministers' Conference in Halifax we, as First Ministers, endorsed a document brought forward by the Federal-Provincial-Territorial Status of Women Ministers, called a Framework for Economic Equality for Canadian Women. Contained within that document was a reaffirmation of the goal of full, equal participation of women in the Canadian economy.

Four guidelines: First, women's issues are primarily economic issues.

Second, economic equality is beneficial to women, to Canada, the provinces, the territories.

Three, economic decisions should take into consideration impacts on women as well as men. And fourth, governments in developing strategies for ensuring economic equality for women should consult with broader public sectors and if necessary with the private sectors.

These are the basic guidelines to which we agreed in affirming economic equality for women as an important national goal. Over the past year, Status of Women Ministers have been working on a follow-up document to the Halifax conference, a document which was to outline a strategy for action.

Manitoba has put a great deal of effort into broadening the context of this intergovernmental labour force



strategy for women. I must say, however, that policy contexts and areas for possible joint action, in our view, have only been narrowed. To that point we have regretfully, Mr. Prime Minister, withheld our endorsement from the most recent federal-provincial paper, "Towards a Labour Force Strategy - A Framework for Training for Women" and my Minister, the Hon. Judy Wasylycia-Leis, on October 22 of this year so advised the Minister responsible for the Status of Women, Barbara McDougall, that, in our view, the document lacked sufficient, concrete recommendations nor did it contain, within that document, appropriate action plans to respond to the needs of the women of Canada.

Training is indeed a crucial factor in women achieving economic equality. But it is not the only component of a successful strategy. We in Manitoba believe that an integrated labour force strategy must include at a minimum, four recommendations. They are: One, accessible, affordable quality child care.

Two, enforceable, accountable pay equity and affirmative action policies. Three, the creation of jobs.

Four, effective education and training policies that meet the needs of women.

Manitoba has made a strong commitment to integrating these issues in our provincial programs and policies. As outlined in the position paper of Economic Equality for Women, we have taken the approach that a strategy for equality must be comprehensive, must be multi-faceted, if it is to address the many complexities that are involved.

We have taken the view that it is crucial that this cooperation also takes place in the issue of economic equality for women.

There are several areas in which governments can work together to achieve real and lasting changes. In our view the most crucial area at this time is a national crisis in child day care services. This crisis has yet to be resolved in spite of study after study that has cited day care as absolutely crucial to women achieving equality in the work force.

In 1984 Manitoba presented a proposal for a Canada Day Care and Family Support Services Act, Mr. Prime Minister, that would replace the current antiquated funding structure for day care with a differentiated cost sharing system, and we would submit that brief again for further perusal.

In June of this year we presented a brief to the Special Committee on Child Care, entitled "The Child Care Challenge for Canadians". I made this brief available at this First Ministers' Conference because it outlines in detail an approach which could be used as a model for a national day care policy.

This approach is based on the following principles. One, child care is an essential service in support of families, in support of children. Two, quality care must be a primary goal. Three, child care services must be a partnership of parents, governments, care givers in which parents continue to pay a portion of the costs.

Four, as in other health, education, social service fields profit-making has no place in the future of Canadian child care. Five, parent involvement and control is a key factor in preserving a system of child care which both provides quality care and is in support of families.

More recently we have looked in detail at the

current costs that would be involved in implementing the proposed Day Care Act across Canada. According to estimates based on existing funding levels, expansion of day care services can be achieved at an additional cost that is both reasonable and fully justified as a high national priority.

Not only would thousands of working parents and their children experience significant direct benefits from such a system, but a whole service industry would be stimulated by indirect economic spin-offs. The issue of child care in Canada does not require further clarification, does not require further study.

The challenge is now. It is to recognize the social, economic realities that are here to stay, and to recognize child care as an essential service for Canadian families. The other areas that Manitoba has identified as crucial for women's economic equality are job creation, enforceable pay equity, affirmative action policies, effective education and training policies that meet the needs of women.

Federal legislation in these areas must be strengthened, must be given teeth in order to deal with the serious inequities, the imbalances that now exist in women's income and in their representation in various occupations. Just as Premier Peterson mentioned earlier this morning, Manitoba is proceeding with its legislation step-by-step so far as pay equity from the government service to the crown corporations and the quasi-crown corporations. The province of Manitoba will be entering into consultation with the private sector in regard to extending the principle of pay equity.

Long-term public investment in job creation is necessary to meet the challenges of a changed society. The issue of regional disparity must be addressed, as well as the overall aggregate shortage of jobs that has created long-term structural unemployment in Canada.

Intergovernmental training policy must meet the needs of women, must enable them to move out of low paying, dead end occupational categories. At a time when technological and industrial changes require a flexible, a skilled work force, funding for training must increase not decrease.

Two major concerns come to mind. As outlined in today's Globe and Mail, there has been an actual decrease in the number of training places for women in various federal programs for the last -- between the years 1977 to 1985.

Secondly, federal part-time student aid programs must be re-examined to ensure that they're made more effective. Support must continue for those provincial institutions that have acquired training expertise through many years of experience. Above all, we must make sure that Canadian women have every opportunity, every encouragement, to develop, to upgrade their skills in order to share fully in the benefits of the Canadian economy.

I call upon all of us as First Ministers to commit ourselves today to an action plan for achieving economic equality of women, an action plan that would make quality day care accessible and affordable for all, an action plan that would ensure pay equity and affirmative action policies so that women can access existing jobs and be paid equitably for them.

Let's agree here and now to a plan of action which includes a framework for a national daycare program, a meaningful national training program. Only when we commit ourselves to this kind of plan, comprehensive, broadly based, can we ensure that women will take their rightful place in the economy.



THE CHAIRMAN: Thank you, Mr. Premier.

May I turn to the Premier of British Columbia, please.

HON. WILLIAM VANDER ZALM: Well, thank you, Mr. Prime Minister.

I've listened with interest to the remarks made by the First Ministers, and I don't want to be repetitive, but I would like to add to this perspective on the issue of economic equality for women.

The whole theme of the conference is to discuss ways in which the great economic potential of this country can be realized. No discussion of this theme would be complete without reference to the important role of women. In British Columbia women, of course, make up more than half of the population and nearly 43 per cent of the work force. The Government of British Columbia supports the principle that all British Columbians must have equality of opportunity and the right to use to the fullest their particular talents and capabilities.

In this sense I see the question as one of enabling people to make personal choices regarding the manner in which they can most effectively contribute to society, whether that contribution be made by participating in or outside of what we traditionally consider to be the formal labour force.

From this perspective, I do not approach the question of economic equality for women as a problem. Instead, I see it as part of the solution to a healthier economic climate in Canada. The extent to which women are playing a more active and direct role in the economy is shown by the fact that in 1971 only one in four mothers with pre-school age

children were in the work force. By 1981, ten years later, this figure had grown to more than two in five. More strikingly, these numbers refer to families having both parents in the home.

Indeed, if one examines the record of the past several years it is clear that women entrepreneurs are doing better than men at creating successful and stable businesses. The Government of British Columbia's Plan for Progress, published earlier this year, recognizes the need to achieve full equality of opportunity in the economic, social and political life of British Columbia. The plan sets out the government's goals and objectives in the areas of economic independence, economic development, employment, the family, health, education and training.

We're very pleased that only yesterday Isabel Kelly was appointed Deputy Minister in charge of job training and women's programs. As a new government it is our firm intention to build on the achievements we have already made and to achieve these objectives.

Initiatives and activities already undertaken to promote and advance economic equality for women include a recent study of self-employment trends in British Columbia, between 1975 and 1984, determined women were responsible for twice the growth in self-employment compared to men; 119 per cent versus 51 per cent.

Self-employment represents a major way in which women make a significant contribution to the economy. They stimulate economic activity, create jobs and manufacture goods and services.

In October of this year our government sponsored a Women in Business Conference in Vancouver, with the cooperation

of the federal government, banking institutions and local women's organizations. Again I should mention as an aside here that it's again significant, too, that Jill Bodkin was recently appointed as Chairperson of the B.C.'s new Securities Commission.

More than three hundred women participated in the conference, including women well established in business, women starting businesses and women interested in the attributes and skills needed to become successful business women.

Preliminary planning for similar conferences in the future on Vancouver Island and throughout the province is currently under way.

We recognize the need to make information on employment and training opportunities available to all British Columbians.

Our government has established a pilot project, One Stop Employment and Training Opportunity Centre, in Prince George. This initiative is increasing women's access to relevant information, and assisting them in pursuing personal career goals.

This program will be expanded to other parts of the province. Those measures, of course, while a good start, are only a beginning. We want to follow through and establish the kind of programs and policies for women that provide both justice and fairness.

As a newly-elected government, I can tell you, Mr. Prime Minister, that we are committed to taking an open, constructive and cooperative approach to solving problems and facilitating solutions in consultation with all sectors of the British Columbia society.

This is the approach we in British Columbia will be taking to all the issues we are discussing at this conference, and we intend to work to ensure a quality of opportunity for women as a part of that approach.

Women can and do contribute to the economic well-being of our nation. We view greater participation of women as a priority and a positive economic initiative and in the best interests of our Canadian society and economic fabric.

Thank you, Mr. Prime Minister.

THE CHAIRMAN: Thank you, Mr. Premier, very much for your observations.

Je demanderai maintenant au Premier ministre du Québec, l'honorable Robert Bourassa, de prendre la parole.



MONSIEUR ROBERT BOURASSA: Merci, monsieur le Président. Je suis évidemment très heureux que, comme j'ai mentionné hier, que cette question a été mise à l'ordre du jour à l'occasion de cette deuxième Conférence annuelle fédérale-provinciale sur l'économie. Nous avons nous-mêmes posé de nombreux gestes depuis plusieurs mois pour ce qui a trait à l'égalité économique des femmes. Nous avons même eu, il y a quelques jours, un colloque particulièrement fructueux et utile sur cette question-là.

Cette question constitue, en fait, l'une des priorités du gouvernement du Québec. Cette préoccupation n'est toutefois pas nouvelle en ce qui nous concerne. Puis-je rappeler que, dès 1973, mon gouvernement fut un des premiers au Canada à mettre en place un organisme, le Conseil du Statut de la Femme, chargé de l'aviser sur les droits des femmes. Je remercie les ministres délégués à la condition féminine pour leur excellent rapport qui propose à chacun de nos gouvernements des moyens qui devront permettre aux femmes du Canada d'atteindre l'égalité économique en recevant une formation professionnelle adéquate. Le Québec est en accord tant avec la problématique décrite dans ce rapport qu'avec les mesures avancées. D'ailleurs, notre province a déjà entrepris la mise en oeuvre de bon nombre de ces mesures qui font partie des activités du plan d'action en matière de condition féminine que mon gouvernement s'est donné pour l'année en cours.

Je laisserai à Madame Monique Gagnon-Tremblay, ministre déléguée à la condition féminine, puisqu'elle est la seule ministre à y oeuvrer à plein temps à travers tout le Canada, le soin de vous décrire plus longuement là où nous en sommes. Je tiendrai toutefois de lui céder la parole, à rappeler quelques points

La première est que l'égalité économique des femmes à laquelle nous entendons tous adhérer, est un objectif de long terme. Nous nous devons cependant de l'avoir continuellement à la mémoire afin de nous assurer que nos politiques et nos programmes ne le perdent pas de vue.

La seconde est que la collaboration de tous les paliers de gouvernement s'avère nécessaire à l'atteinte des résultats. Il est ainsi essentiel que le gouvernement fédéral, qui participe de façon directe ou indirecte aux programmes provinciaux, ait également à coeur la réalisation de cet objectif. A ce sujet, il existe trois dossiers qui touchent de près à la formation des femmes et pour lesquels le Québec souhaite voir se dessiner des solutions. Les services de garde, l'accessibilité à ces services doit être améliorée, soit par des modifications au régime d'assistance publique du Canada, soit par des aménagements fiscaux. Et je suis évidemment d'accord avec la proposition qui a été faite par le Premier ministre de l'Ontario pour que, dans cette question-là, les ministres des finances puissent être impliqués. Cette suggestion est d'autant plus importante que nous préparons à aborder au Canada toute la question de la réforme fiscale.

Deuxièmement, la formation linguistique. L'admissibilité à la formation linguistique pour les immigrants et les immigrantes doit être élargie. Et enfin, l'accord Canada-Québec en matière de formation professionnelle qui est en cours de négociations doit préserver les acquis prévus pour les femmes, et éviter que de nouveaux obstacles limitent l'accès à la formation professionnelle et à l'emploi. Il va de soi que dans le cas du Québec nous voulons la juridiction des provinces dans une question comme celle-là soit et demeure respectée.

Et je laisserai la parole maintenant à madame Monique Gagnon-Tremblay.

MADAME MONIQUE GAGNON TREMBLAY (Ministre déléguée à la condition féminine): Merci, monsieur le Premier ministre.

Permettez-moi, messieurs les Premiers ministres, de vous féliciter de cette heureuse initiative, qui a permis de mettre à l'ordre du jour de cette importante conférence, le dossier de la condition féminine.

Pour la première fois dans toute l'histoire des Conférences fédérales-provinciales des Premiers ministres, on accorde à ce dossier la place qui lui revient. Je suis persuadée qu'aujourd'hui toutes les femmes du Québec et du Canada s'en réjouissent.

La priorité du gouvernement québécois, en matière de condition féminine, c'est d'assurer la sécurité économique des femmes. Pour y parvenir le gouvernement du Québec s'est doté en mai dernier d'un plan d'action qui intervient à quatre niveaux: la formation des filles et des femmes; la situation des Québécoises sur le marché du travail; la sécurité économique des travailleuses au foyer et enfin la disponibilité des services collectifs, dont les services de garde.

La formation professionnelle des femmes constituant un axe majeur d'intervention pour assurer l'égalité économique, vous comprendrez que le Québec adhère entièrement à la stratégie de la main-d'oeuvre qui a été élaboré par les Ministres de la condition féminine.

L'analyse de la situation décrite dans le document est juste, car même si la participation des femmes au marché du travail s'est accrue de façon importante ces dernières années, nombreuses sont les difficultés qui persistent.

- leurs choix professionnels sont peu diversifiés;
- les emplois qu'elles occupent sont précaires;
- leurs revenus moyens sont règle générale moins élevés que ceux des hommes;
- la maternité et les responsabilités familiales qui prennent une large place dans la vie des femmes ne sont pas suffisamment prises en considération.

Ce ne sont là que quelques-uns des obstacles qui limitent la qualité des conditions de travail des femmes et qui mettent en cause leurs possibilités de promotion et d'épanouissement dans leurs occupations professionnelles.

Pour y remédier, le Québec a déjà entrepris la réalisation de plusieurs mesures contenues dans le document que vous avez étudié.

Certaines activités ont pour objectif de corriger les lacunes au niveau de l'orientation professionnelle des femmes et des filles.

Des programmes ont été mis sur pied pour faciliter l'accès des femmes à la formation professionnelle et pour les inciter à s'orienter dans des secteurs non traditionnels. Dans ce cadre, on a aménagé quelques-uns de ces programmes en un ensemble intégré, qu'on appelle la "séquence d'intervention" et celle-ci vise à faciliter la transition entre le travail au foyer et la réintégration professionnelle.

La reconnaissance des acquis d'expérience a été identifiée au nombre des priorités pour faciliter le retour aux études ou sur le marché du travail: les



femmes qui passent une partie de leur vie active au foyer, acquièrent des connaissances et des habiletés qui leur sont très rarement reconnues lorsqu'elles veulent retourner aux études ou sur le marché du travail. Reconnaître ces acquis, c'est rendre justice au travail que les femmes effectuent au sein de leur famille. C'est aussi leur éviter de réapprendre des choses qu'elles savent déjà, et c'est enfin leur reconnaître, sur le marché du travail, des habiletés qui les démarquent des débutantes.

L'amélioration de la formation de base et de la formation professionnelle supposent que les femmes puissent occuper leur juste part sur le marché du travail, donc le marché du travail doit être prêt à les accueillir.

C'est la raison pour laquelle le gouvernement du Québec a mis sur pied des programmes d'accès à l'égalité pour les femmes au sein de ses ministères et de ses organismes. Il s'est engagé à supporter par un programme de subventions de 4.6 millions sur trois ans, la mise en place, sur une base volontaire, des programmes d'accès à l'égalité pour les femmes en emploi dans les réseaux de l'éducation, de la santé et des services sociaux et dans le monde municipal.

La volonté gouvernementale se traduit également par un programme de subventions incitatives de un million de dollars sur deux ans pour l'implantation de programmes d'accès à l'égalité dans le secteur privé.

Le Québec contribue aussi à supporter nombre de femmes désireuses de retourner aux études ou au marché du travail rémunéré, par la politique des services de garde dont il s'est doté il y a déjà quelques années.

Pour le gouvernement du Québec, la compétence de planifier, de développer et d'organiser les services de garde, relève exclusivement de sa juridiction. Il en a d'ailleurs confié la gestion à l'Office des services de garde à l'enfance, lequel a la responsabilité de s'assurer que les enfants du Québec puissent recevoir des services de garde de qualité.

Le gouvernement du Québec entreprendra sous peu une réévaluation de sa politique afin de s'assurer qu'elle corresponde toujours aux besoins de ses usagers.

Nous comptons également que le gouvernement fédéral fera sa part pour améliorer l'accessibilité à des services de garde adéquats. Pour réaliser cet objectif, on devra songer à des modifications au régime d'assistance publique du Canada ou à d'autres aménagements fiscaux.

Le document "Pour une stratégie de la main-d'oeuvre..." identifie comme nécessaire la formation linguistique, notamment pour les femmes immigrantes. Dans ce cadre, le gouvernement fédéral devra élargir la clientèle admissible à la formation linguistique, et ainsi permettre à un plus grand nombre de femmes de s'intégrer à leur nouveau pays et éventuellement d'accéder à une formation de base ou une formation professionnelle.

Dans le cadre de la négociation en cours pour le renouvellement de l'Accord Canada-Québec en matière de formation professionnelle, le gouvernement du Québec demeurera vigilant afin de préserver les acquis des femmes et éviter que de nombreux obstacles s'ajoutent à ceux déjà nombreux et qui limitent leur accessibilité à la formation professionnelle et à l'emploi.

Malgré toutes ces mesures, beaucoup reste encore à faire pour rendre véritable et efficace l'accès des femmes à la formation professionnelle, à l'emploi et à l'égalité économique. Nous continuerons la mise en place et l'extension des mesures déjà développées.

Nous élaborerons de nouvelles mesures, plus particulièrement en matière d'orientation scolaire et professionnelle, de reconnaissance des acquis, de diversification des choix professionnels de support financier et logistique pour les femmes. Le Québec poursuivra dans cette voie et planifiera ses activités à plus long terme en les inscrivant dans son plan d'action triennal en matière de condition féminine qu'il dévoilera l'an prochain.

En plus des activités en matière de formation professionnelle, le gouvernement du Québec veut assurer la sécurité économique des travailleuses au foyer.

Plusieurs scénarios sont actuellement à l'étude afin de faire participer les travailleuses au foyer au régime des Rentes du Québec. Une commission parlementaire sur ce sujet devrait se tenir au cours de la prochaine année.

En conclusion, l'exercice d'aujourd'hui nous a permis d'identifier les nombreux obstacles que rencontrent les femmes pour atteindre l'égalité économique et les mesures requises pour les surmonter.

Nous souhaitons que cet exercice portera fruit. Et je voudrais rappeler aux Premiers ministres que la majorité des revendications portées par les femmes

sont légitimes et j'estime qu'elles ont parfois raison de manifester de l'impatience.

La rencontre d'aujourd'hui aura pour effet de créer des espoirs auprès des femmes. Et nous ne pouvons les décevoir. Il nous faut donc passer à l'action et faire en sorte que les engagements pris par les divers gouvernements dépassent des engagements de «principe».

Le Québec, monsieur le Premier ministre, sera solidaire de ses engagements.

LE PRESIDENT: Merci, madame la Ministre, pour l'excellence de votre présentation. Je demanderais maintenant au Premier ministre de la Nouvelle-Ecosse, l'honorable John Buchanan, d'intervenir.



HON. JOHN M. BUCHANAN: May I first congratulate you on ensuring that women's concerns have a specific agenda item at this Conference rather than we have from time to time in the past had as part of another item on the agenda at a conference like this, and you continue to demonstrate your concern for women's issues, and the fact that you've manifested that concern by the agenda item today has indicated quite clearly that the Government of Canada would not permit women to be disadvantaged because of gender.

Mr. Prime Minister, in our opinion, there must be a very strong federal-provincial linkage on women's issues and the concerns the women of Canada have. Again, in maybe a small way, but in a very tangible way you've also demonstrated that by the fact that the new representative on the Canadian Council on the Status of Women is an individual who is also a member of the Nova Scotia Advisory Council on the Status of Women.

Over the past months we have concentrated on economic issues as they affect the women of Nova Scotia. Just a few statistics and some of these have already been given but I think it's interesting to note that in Canada from 1973 to 1985 women in the work force have increased by more than 60 per cent, from 3.3 million to 5.4 million.

It's interesting to note also that relative to other countries this participation rate is extremely high in the labour force. The service sector growth nationally and provincially in Nova Scotia is the single biggest reason for the labour force growth. The Canadian service sector is expected to generate almost 1.9 million new jobs over the next decade, or three-quarters of all new jobs, and in increasing numbers women

are becoming involved in this sector.

Mr. Prime Minister, in Nova Scotia well over half new businesses have been begun by women over the last number of years, and I think it was Premier Vander Zalm who said that in British Columbia that those businesses commenced by women are more successful than those commenced by men. There's no question about that in Nova Scotia.

The businesses commenced over the last number of years by women tend to be more successful in keeping the enterprises going as going concerns than their male counterparts. Mr. Prime Minister, the Council of Maritime Premiers has also recognized the importance of women as entrepreneurs, and it's interesting that we have sponsored in the Council of Maritime Premiers a new film on women in business and the new spirit of enterprise, and that film is in its final throws of being completed, and will be released soon and distributed throughout the three Maritime provinces.

I suspect my colleagues, Premier Hatfield and Premier Ghiz, would not object if some others of you wanted to borrow that film and make copies of it, at a modest fee. We need the money.

Mr. Prime Minister, in Nova Scotia we have started one of the first women's entrepreneurial programs to help women begin new enterprises. It has been a great success and continues to thrive. For instance, 135 projects have commenced to date. This program has also commenced a vibrant and dynamic business network of women for the development of business skills, and therefore entrepreneurial education in our vocational and technical schools is vital.

Small business is increasingly the driver of our

provincial economy. Our vocational and technical schools are about to implement a new program of enterprise education. A key segment and target group for this program will be the women of Nova Scotia.

Mr. Prime Minister, our two levels of government agree that scheduling of training programs must be more flexible. In Nova Scotia we are moving to the development of modular training programs. In order to quicken the pace of the transformation of the delivery systems in Nova Scotia, we have applied to the Innovation Stream of the Canadian Job Strategy and, Mr. Prime Minister, your support to see that that application is approved would bring great benefit to the economic advancement of women in Nova Scotia.

Mr. Prime Minister, the principles stated in the labour force strategy of framework for training for women has been endorsed by the Government of Nova Scotia. As part of our commitment to this strategy we are taking immediate steps to strengthen the Nova Scotia Advisory Council on the Status of Women, particularly in the research and province-wide local communication field work programs.

We will begin implementation of the strategy in that paper, the framework paper, within the fiscal capability of Nova Scotia. We believe that education and training are essential ingredients in formulating equality in the labour force of Nova Scotia for women.

Mr. Prime Minister, I have a few comments to make on child care. First, day care. A few statistics. Expenditures re day care in Nova Scotia have increased by 95 per cent from 1981 to 1986, a period of just five years, tangible evidence of our concern and interest in child care at the day care level.

We have 333 licensed day care centres, with 8,500 spaces in those centres. Mr. Prime Minister, in discussing child care we must ensure that that includes care by parents, natural parents or foster or adoptive, care by family members, care by neighbours and care by agencies.

It is our feeling, Mr. Prime Minister, that we must be very cautious, in fact extremely careful, when we consider the role of government in child care. We must always appreciate that the family must be the focal point. The family is the strong link in the chain of society.

The social fabric of our country has been woven in the threads of strong family units, and we must strengthen that traditional fabric. Therefore, child care must continue to be the unquestionable right and responsibility of parents. Governments must assist and support parents and families to just discharge their rights and responsibilities.

We recognize in Nova Scotia and appreciate the importance of the family in the social fabric of Nova Scotia, and we have established the widest ranging review of family and children services ever undertaken in Nova Scotia. This review will culminate in the first ever Nova Scotia Conference on the Family in June of 1987.

Questions of child care will be raised during consultation with representatives from all sectors and parts of the province of Nova Scotia. Mr. Prime Minister, again I congratulate you on ensuring the importance of this item by having it on our agenda today.



THE CHAIRMAN: Thank you, Mr. Premier. May I turn to Premier Ghiz?

HON. JOSEPH A. GHIZ: Thank you, Prime Minister, and First Ministers.

Economic equality for women is a key item on our agenda. It indicates that we have reached a milestone in terms of our views concerning equality, specifically equality among the people in our economy.

Canadians believe in fairness and equity. As politicians, we have a duty to achieve a common understanding of what these terms mean in practice in daily living.

It is our collective responsibility, as First Ministers, to provide leadership on this question. By translating beliefs and principles into concrete action, by making visible in our laws, our policies and our practices, what many Canadians understand to be fair.

There is no question that what is happening today to the majority of women in Canada is just not fair. It is not fair that women have restricted employment opportunities; that they earn, on average, 66 per cent of what men earn, and that they have limited input into the decisions that critically affect them.

In my view, the training paper tabled here today represents an important first step in achieving economic equality for Canadian women, in providing to them, quite simply, a fair share.

The critical role education and training play in providing job opportunities is now beyond dispute. Clearly, no strategy to increase women's employment opportunities can work unless women have the skills to do the job.

For many women though, the problem is not so

much the level or lack of education as it is the type of education that they receive. This is clearly demonstrated by recent statistics on women and training on Prince Edward Island.

These statistics reveal that although the participation rate of women in training on Prince Edward Island is equal to that of men, the type of training they receive differs radically.

Men dominate the technology and trade courses while women are decidedly concentrated in the so-called female occupations; secretary, cook, child care worker and so on.

The education choices made by women directly affects the type of employment they obtain. This, in turn, impacts on the salary they earn.

The report I am tabling today on Women in the Prince Edward Island Labour Force indicates that these two factors, occupational segregation and wage inequality, act in Prince Edward Island, as in other jurisdictions, as major barriers to economic equality for women.

From my province's point of view then, I am confident that the measures which together form the framework for action will prove to be of significant benefit to all Island women.

Without derogating from the value of these measures which we strongly support, I would like to say that the Prince Edward Island Government, in consultation with women, is currently identifying additional policy options which we feel are particularly vital to the attainment of economic equality.

Implementation of equal pay for work of equal

value and improved child care are two of the most important elements of our strategy to turn commitment to women into real opportunity.

First, equal pay for work of equal value. It is our view that if we are to fully address the key problem, the assumptions about the role and ability of women in this country, then we must match educational initiatives with the active pursuit of employment equity policies.

It is here that pay equity plays a crucial role. We cannot hide from the fact that women are segregated in terms of occupational category, despite a decade of equal opportunity programs, 62 per cent of women are still employed in only three occupational sectors: clerical, sales and service.

That is why, in Prince Edward Island, we are taking steps to implement pay equity in the public service. In moving toward this goal, we intend to follow the lead and to learn from the experiences of those provinces which have already implemented this policy, and I would like, Prime Minister, to thank Premier Peterson from Ontario, and Premier Pawley from Manitoba, and their officials, for their help and cooperation, and the assistance that they have given to the officials from Prince Edward Island, as we develop our pay equity program.

Secondly, the Prince Edward Island Government is currently assessing how to improve the quality and stability of child care arrangements in Prince Edward Island. The fact that Prince Edward Island is the only province in Canada that does not provide for some type of direct funding for licensed child-care programs, is a fact that I am not proud of.

We intend to change this situation. In our

view, the absence of quality affordable child care is, for women who are mothers, a major barrier to equality in the workplace.

I want to agree with what Premier Peterson said earlier, that child care is really a financial issue, and I want to state, as I did yesterday, Mr. Prime Minister, that we are a small "have-not" province, and for us to provide the proper level of funding for child-care services that are required in Prince Edward Island, we require the support and the encouragement and the assistance of the federal government.

I would like as well to fully support the proposal brought forward by Premier Peterson for a conference on child care, and I agree with him that two of the key components of that conference should be the federal and provincial responsibility for child care because, in my view, that affects funding, and as well as the fiscal support that should be provided by both levels of government.

I strongly urge all of us around this table, fellow First Ministers, to endorse the measures contained in the labour force strategy. In particular, I urge you, Mr. Prime Minister, to make a positive statement that your government, which has assumed the responsibility for funding adult training in the past, is prepared to commit the resources necessary to implement these measures.

The training paper can only bring relief to the women of Canada if the federal government is prepared to put the fiscal resources behind the paper that is necessary to achieve equality of opportunity for women.

I need not remind those of you around this table that concerted action is required by each of us, if we are to



help Canadian women attain a fair share, nor, need I remind you, that reaching this objective is both a difficult and challenging task.

Difficult because it involves so many complex issues, child care, sex role stereotyping and training. Challenging because the answers to the question of how to achieve equality are neither simple nor straightforward.

If, at times, we are overwhelmed by the enormity of the task, we would do well to heed Judge Rosalie Abella's sentiments, expressed as follows:

"It matters frankly little what methodology we adopt to confront the problem. No one remedy is necessarily the correct one, and in the months and years ahead, the pros and cons of a variety of mechanisms will likely be debated."

What we should never lose sight of in the debate is that there is a problem, that it is a serious problem, and that it demands redress. How we achieve it is far less critical than whether we achieve it.

We owe it to our descendants of both genders not to get bogged down in semantic warfare, and to get on with the intervention needed at all levels, cultural, legal, political, institutional and educational, to solve the problem.

Thank you, Prime Minister.

THE CHAIRMAN: Thank you Premier Ghiz.

Est-qu'il y a d'autres commentaires de la part des Premiers ministres sur cette question de l'ordre du jour.

Are there any other comments that the First Ministers would like to make in respect of this agenda item?

HON. RICHARD HATFIELD: Prime Minister, having attended all of the meetings since they were called of Status of Women Ministers, one thing that has impressed me over and over again which I think should be recognized and acknowledged is that the staff people who work with those committees from every province and the Government of Canada are really working together and really cooperating and really sharing.

A lot of information and pamphlets and so on are being passed around and other provinces who wish to use them use them and so on. I think that should be acknowledged and we should express our appreciation for it. They're doing a tremendous job.

THE CHAIRMAN: Thank you, Mr. Premier.

On the agenda we have a luncheon meeting on trade. We then have a -- I have a subsequent meeting with Atlantic Premiers in regard to the Atlantic provinces Opportunities Agency and there are other opportunities for the First Ministers to meet with the media.

I would like to, with your permission, make some concluding remarks, sum up our deliberations, prior to which, if anyone has any comments on this morning's events I'd be happy to hear from you.

Well, thank you, colleagues. Before adjourning this session, I offer very briefly some reflections on our meeting here in Vancouver.

In my opening comments -- and I'm not going to try and

be exhaustive in any particular way, just touch upon some of the matters that you have raised and we've dealt with together, I spoke about the purpose of these Annual Conferences and suggested that we try and look upon them as working instruments as working conferences.

I think the broad scope of our deliberations over the past two days underlines this Conference's working character.

Ces deux derniers jours, nous avons étudié les trois rapports présentés par les ministres fédéraux et provinciaux, comme suite à la demande qui leur a été faite à Halifax, l'an dernier: sur l'agriculture, les pêches et les possibilités de formation pour les femmes.

Nous avons discuté de l'évolution récente des consultations fédérales-provinciales et des consultations du public, sur un certain nombre d'autres questions dont le développement régional et la réforme fiscale.

Nous avons également défini les grandes lignes de consultations éventuelles sur la garde d'enfants, et l'égalité économique des femmes.

I think that these broad discussions have led us to commit our governments to further work in several important areas. On the basis of discussions yesterday we accepted Premier Peckford's suggestion to establish a task force of officials to examine what is for him and others an extremely important matter, the foreign over-fishing problem.

In the agriculture report I noted Premier Pawley's concerns regarding western grain stabilization, and I take it that our Ministers will ensure that this issue is addressed in the course of their immediate follow-up sessions. Our Ministers of Agriculture have also agreed to review the level of freight assistance, an issue raised yesterday by many of the Atlantic Premiers.

I anticipate that the concerns raised by Premiers Ghiz and Hatfield regarding potatoes will be addressed by Mr. Wise urgently over the next number of weeks.

The question of western economic diversification raised by Premier Getty and Devine, Premier Vander Zalm and Premier Pawley, I believe that when the consultations on western economic diversification are completed the First Ministers will have an opportunity to revisit this very important issue and decide on an appropriate course of action.

I can tell you, Premiers from the western provinces, that our Deputy Prime Minister, the Honourable Don Mazankowski, is giving this project of diversification in western Canada his highest priority, and will be in touch not only through your Economic Development Ministers, but with you directly in this regard.

As I've indicated, the Atlantic Premiers and I will be meeting later today to try and further flush out the



Atlantic Canada Opportunities Agency. I firmly believe that we can make progress towards realizing the high hopes, I hope realistic hopes as well that we all attach to this initiative.

A number of Premiers expressed concerns, be it Premier Vander Zalm, Premier Peckford, for example, about the nature of industrial and regional development programs. I must tell you, Premier Peckford, Premier Vander Zalm and others that if you don't come to these conferences to listen and learn, then we're missing a good bet.

I must say that I listened very carefully and was troubled and challenged by some of the comments that were made in regard to points raised. I understand that our Ministers responsible for Regional Development have recently agreed to address this issue as part of their ongoing work plan, but some of the comments made yesterday I think require perhaps a higher profile attention in much the same way Premier Peckford has.

We took cognizance in Halifax of some issues, and prompt and, I think, helpful action from the First Ministers resulted. Some of the illustrations that were given yesterday by Premier Buchanan struck me very forcefully as injustices that may have inadvertently become part of the system, and that exist there without any great malice, but they've grown up together and they have to be addressed, and try and correct them.

There's no great satisfaction in anyone if we have prosperity in a country that is not widely spread about, and not fairly visited upon our citizens. This is a challenge for all of us. I thank you for not only the general philosophical important points of view, but the specific criticisms of the system and of programs. It is only that way that we can take

those, as I do, in a constructive light and try and correct them.

Premiers raised two additional items during our discussions, Premier Peterson, for example. Premier Vander Zalm clearly identified for all of us particular problems posed by barriers to interprovincial trade and interprovincial competition for industrial investment.

To say that it's unseemly is to make the understatement of the year. A lot of foreign investors must find it pretty funny as various jurisdictions try and outbid themselves, and none is without sin, including me, to outbid themselves for various industries which have to locate in Canada or certain regions of Canada in any case.

So the barriers to interprovincial trade, interprovincial competition for industrial investment, surely there is a role for First Ministers and for the federal government in terms of investment coming in to say, yes, indeed, let's look at it. The Interior of British Columbia is indeed being paralyzed; western Newfoundland and Labrador west is being particularly debilitated, and surely we can do more to focus investment into those areas than we have in the past.

I suppose that's one of the benefits of a conference like this. With your agreement I would propose that Regional Economic Development Ministers be directed to achieve the fullest possible resolution of these matters in keeping with the important statements of principle on regional economic development that First Ministers endorsed in February, 1985.

Grant Devine has come back, for example, yesterday in talking and he played a key role, as the Agriculture Minister himself, in setting out a national agricultural strategy for Canada. I think it's a tremendous piece of work done by the Agriculture Ministers. A lot of good has come and shall come from it.

I think we can do better by transposing that kind of enthusiasm and the energy that Premier Devine shows into the area now of industrial restructuring and industrial regional development.

Government procurement was an important issue for First Ministers. I don't have an easy answer to it. What you have developing, for example, in Canada over the last twenty-five years are zones of influence in tremendous growth of which we're all proud in Southern Ontario, which, by themselves, throw off strengths that, therefore, attract the results of government procurement programs, for example.

There are more people, more businesses, closer by in Southern Ontario than -- qualified to do this at lower costs -- than there are elsewhere, and that is strengthened by the kind of country that we have, but government procurement has to reflect more -- and we're proud of that growth. We're proud of the tremendous success in the industrial heartland of Ontario which must be maintained. That's a great strength, the national strength for Canada.

I think that Premier Peterson and others have indicated how pleased they would be if this notion of procurement and others could be set out with greater fairness for all of the regions. If you agree I will ask Madame Vézina to organize an early meeting with her provincial counterparts on how we can

improve existing procurement practises. It's a big ticket item. There's a lot of money being spent, an enormous amount of money being spent. If you want to just look at the federal government's decision to place an order in St. John's shipyards and see what it does to procurement numbers in the Atlantic region. All of a sudden they skyrocket because of that placement of that particular kind of order.

So, it is an influence that has to be used wisely and generously in keeping with some of the principles that have been raised here.

Premier Peterson has made some specific, and I think very interesting and good proposals in the fields of science and technology. A national policy for science and technology currently being developed by our respective ministers will provide, I think, an appropriate framework for addressing some of these matters.

If you and the Premiers agree, the Minister of Science and Technology, Mr. Oberle, will be calling on his provincial counterparts to begin preparation of the action plan recommended for increasing Canada's research and development efforts.

In terms of consultation just take a look at the loss of your money and mine. The federal government acted a number of years ago, no doubt well intentioned, in the field of science -- research and development and science and technology and sucked up hundreds and hundreds of millions of dollars that were peddled in scams. All of a sudden our national commitment to research and development is lowered as a result of an action taken by the federal government, well intentioned, but it didn't turn out as everybody had hoped.

So, we can benefit from consultation with all of you



and we shall. Anyone who questions that, look at the numbers involved with the scientific tax credit and see what it did to research and development and science and technology investment and how little was transferred to universities and from there to the diffusion of technology in our laboratories and those who work with industrial development.

It was a financial piece of -- it was people moving pieces of paper around under the Income Tax Act with little thought to science and technology and research and development.

These are the mistakes, I suppose, that all human beings and all governments make, even well intentioned ones, but they are big ticket items that have to be avoided and I take note of your good comments in regard to help in that area.

Premier Getty, there's absolutely no doubt in my mind, and I think I can speak for all the First Ministers, that energy is a national economic issue. It's not an Alberta problem. It's a national challenge. That requires some understanding from consumers. It requires understanding from the federal government, from tax policy and from the producing provinces.

You're absolutely right when you talk about security supply. In 1992 and 1993 when we say where were we, well where we were was staring depressed oil prices in the face and saying that there's very little we can do about it because if you ask one province or one region to take it on . nothing can be done.

So, I know that our Energy Ministers have already agreed to meetings, and Premier Getty and I will be meeting in

Calgary, I think Sunday morning. That, Premier Vander Zalm, is before the game -- do you want me to bring the oil or carry the wager with you back and forth?

And, of course, we touched on, in a very important way, and I was very proud of the fact that we were able to place the issue of economic equality for women for the first time squarely on the agenda of such an important national conference, long overdue. I'm very grateful for the excellence of the presentations made by all First Ministers on a very sensitive and important matter.

The fact that we've placed this item on our agenda I think demonstrates the importance we all attach to achieving simple economic equality for women. Our useful exchange of views demonstrates not only the achievements to date, but also the great challenges before us.

Our discussion illustrates only too well the close and indispensable link between economic equality and social justice. Training and child care, pensions and employment equity go hand in hand. By endorsing the Framework for Training paper we have taken a major step forward, and I know that on behalf of all of the First Ministers I congratulate Premier Hatfield and Premier Peckford, who served as their own ministers in articulating a national policy in this regard over many long years.

I think this is an important component in the development of an effective labour force strategy.

Nos divers ministres chargés de la condition féminine, de l'emploi et de l'éducation poursuivront ensemble les travaux que nous venons si bien, je pense, d'entamer en vue d'améliorer l'accès des femmes à la formation.

Child care will be a top priority, and we look forward to discussions and consultations among responsible ministers. This is not a phrase of delay. This is a commitment to action. The next meeting of the ministers convened by Mr. Epp will be an important step in this process and we shall not set aside the observations made by Premiers, including Premier Peterson, in regard to the manner in which this could be strengthened.

Nous allons également toucher, je pense, d'autres questions qui ont été soulevées à l'occasion de notre premier déjeuner par le Premier ministre du Québec. On aura l'occasion, dans quelque temps, d'y revenir. D'autres items seront soulevés par les Premiers ministres. Je pense qu'on a connu un succès certain à l'occasion de, du moins certains chapitres, de nos délibérations.

All of these initiatives taken by First Ministers over the last two days demonstrates in my judgement the value of our Annual First Ministers' Conferences. They take a lot of time, it takes a lot of patience, it takes a lot of mutual respect. I've indicated that the easiest way to conduct federal-provincial relations is by sitting at home issuing directives, and we all know that if you do that and I do that how little is truly accomplished.

These meetings are becoming an important part of the annual public policy processes, both for the provincial and the federal governments. The regularized meetings of First Ministers is imposing a greater focus and discipline on how individual governments address many of the issues with which they're regularly faced.

These are truly working conferences. The annual First Ministers' Conference is thus establishing itself as an important factor in this nation's business: in the federal and provincial budget-setting exercises; in the timing of those to bring a greater degree of harmony to the process; in the working agendas of federal and provincial ministers throughout the year; in the federal Speech from the Throne. We've had five or six hundred meetings take place between various ministers and senior officials and the Prime Minister and premiers. It's an astonishing fact, but I think a very healthy one. And in various regional and national meetings of provincial premiers that take place, for example, in Edmonton, and the production and investment plans of business.

At Vancouver, the First Ministers have worked together. That work, I think, has led to demonstrable progress, not perfection, but demonstrable progress and concrete action in many different fields.

Premiers, I think you will agree that, judged in these terms, our conference here in Vancouver has been a considerable success. And I know you will agree that our deliberations in the last few days have been enhanced by the very warm welcome provided by this magnificent city. Many British Columbians have helped make our stay here very agreeable. Premier Vander Zalm, I think I speak for everyone around this table in saying that the spirit of Expo 86 is indeed alive and well, and we're grateful to you for hosting this conference and for your very gracious personal hospitality extended to all of us.



Les Premiers ministres, comme vous le savez peut-être, nous allons nous réunir au mois d'avril -- je pense -- prochain pour discuter des questions constitutionnelles intéressant les autochtones. Et cette conférence aura lieu à Ottawa.

And next year, with Premier Peterson's invitation and good hospitality, our Annual Conference will be held in Toronto on November 26th and 27th, and I am sure that that city, that wonderful city will give us a warm welcome as well.

So, to all of you, my gratitude for your hard work and your good spirit. I think Canada benefits from this kind of participation. Canadians benefit from seeing their First Ministers working together striving to reach consensus to build a better country.

As I indicated yesterday, I suppose an ordinary Canadian watching the process would be struck by the enormity of the problems and the breadth of these problems, and yet by the splendour of the opportunities that exist, and that come from citizenship in this country.

At the base of it all has to be a federal-provincial process, steeped in respect, and indeed friendship around this table and others like it.

So, to all of you my gratitude for your tremendous efforts. My thanks for your understanding, and in wishing you all well, I declare this conference closed.

Thank you.

HON. WILLIAM N. VANDER ZALM: Mr. Prime Minister, can I just take one moment to thank all of the First Ministers for attending and assembling in British Columbia, and certainly

I'm sure all of us have benefitted tremendously from the discussions here, and most especially myself as a first-timer, and I want to also thank you, Mr. Prime Minister, for the opportunity, and to thank, through you, all of the Members of Parliament from British Columbia who have been such a help, and most especially, the Hon. Pat Carney who has worked so tirelessly for British Columbia in the challenges we presently face.

Thank you all for coming to British Columbia.

--- 12:19 P.M. / 12h19







CONFÉRENCE ANNUELLE DES PREMIERS MINISTRES

Vancouver (Colombie-Britannique)

les 20 et 21 novembre 1986

ORDRE DU JOUR

1. Revue de l'état de la Fédération et de l'économie
2. Développement économique
3. Égalité économique pour les femmes



ANNUAL CONFERENCE OF FIRST MINISTERS

Vancouver, British Columbia

November 20-21, 1986

AGENDA

1. Review of the State of the Federation and the Economy
2. Economic Development
3. Economic Equality for Women





ANNUAL CONFERENCE OF FIRST MINISTERS

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CONFERENCE ANNUELLE DES PREMIERS MINISTRES

November 20 and 21, 1986

Les 20 et 21 novembre 1986

VANCOUVER

List of First Ministers and Ministers  
Liste des Premiers ministres et ministres

CANADA

The Right Hon. Brian Mulroney  
Prime Minister/Premier ministre

CHAIRMAN/PRESIDENT

The Hon. Arthur Jacob Epp  
Minister of National Health and Welfare

The Hon. John Wise  
Minister of Agriculture

L'honorable Robert R. de Cotret  
Président du Conseil du Trésor

The Hon. Michael Holcombe Wilson  
Minister of Finance

The Hon. Thomas Edward Siddon  
Minister of Fisheries and Oceans

The Hon. Charles Mayer  
Minister of State (Canadian Wheat Board)

The Hon. William Hunter McKnight  
Minister of Indian Affairs and  
Northern Development

The Hon. Patricia Carney  
Minister for International Trade

L'honorable Benoît Bouchard  
Ministre de l'Emploi et l'Immigration

L'honorable Michel Côté  
Ministre de l'Expansion industrielle  
régionale

L'honorable Marcel Masse  
Ministre de l'Énergie, des Mines et des Ressources

The Hon. Barbara Jean McDougall  
Minister of State (Privatization),  
Minister responsible for Regulatory  
Affairs and Minister responsible for the  
Status of Women

L'honorable Monique Vézina  
Ministre des Approvisionnements et Services

The Hon. Frank Oberle  
Minister of State for Science and  
Technology

The Hon. Lowell Murray  
Leader of the Government in the  
Senate and Minister of State for  
Federal-Provincial Relations

L'honorable Jean J. Charest  
Ministre d'Etat (Jeunesse)

Len Gustafson  
Parliamentary Secretary to the Prime Minister

ONTARIO

The Honourable David Peterson  
Premier and Minister of Intergovernmental Affairs

The Honourable Ian Scott  
Attorney General and Minister responsible for  
Women's Issues

The Honourable Jack Riddell  
Minister of Agriculture

The Honourable Hugh P. O'Neil  
Minister of Industry, Trade  
and Technology

QUEBEC

Monsieur Robert Bourassa  
Premier ministre

Monsieur Gil Rémillard  
Ministre des Relations internationales et  
ministre délégué aux Affaires  
intergouvernementales canadiennes

Monsieur Pierre MacDonald  
Ministre du Commerce extérieur et Développement  
technologique

Madame Monique Gagnon-Tremblay  
Ministre déléguée à la Condition féminine

NOVA SCOTIA - NOUVELLE-ECOSSE

The Hon. John M. Buchanan  
Premier

The Hon. Terence R.B. Donahoe  
Chairman of Policy Board and Minister of  
Vocational and Technical Training

The Hon. George Moody  
Chairman of Management Board

NEW BRUNSWICK - NOUVEAU-BRUNSWICK

The Hon. Richard Hatfield  
Premier

The Hon. John B.M. Baxter  
Minister of Finance

MANITOBA

The Hon. Howard Pawley  
Premier

The Hon. Muriel Smith  
Deputy Premier and Minister of  
Community Services

The Hon. Eugene Kostyra  
Minister of Finance

The Hon. Judy Wasylycia-Leis  
Minister responsible for the Status of Women

The Hon. Wilson Parasiuk  
Minister of Energy

The Hon. Maureen Hemphill  
Minister of Business Development and Tourism

The Hon. Bill Uruski  
Minister of Agriculture

BRITISH COLUMBIA - COLOMBIE-BRITANNIQUE

The Hon. William N. Vander Zalm  
Premier

The Hon. W. Bruce Strachan  
Minister of Intergovernmental Relations

The Hon. Grace McCarthy  
Minister of Economic Development

The Hon. Jack J. Kempf  
Minister of Forests and Lands

The Hon. Mel Couvelier  
Minister of Finance and  
Corporate Relations

The Hon. Elwood Veitch  
Provincial Secretary and Government Services

The Hon. John Savage  
Minister of Agriculture and Fisheries

The Hon. Brian Smith  
Attorney General



PRINCE EDWARD ISLAND - ILE-DU-PRINCE-EDOUARD

The Hon. Joseph A. Ghiz  
Premier

The Hon. Gilbert R. Clements  
Minister of Finance and  
Minister of Community and Cultural Affairs

The Hon. Wayne D. Cheverie  
Minister of Justice and  
Minister of Labour

SASKATCHEWAN

The Hon. Grant Devine  
Premier and Minister of Agriculture

The Hon. Gary Lane  
Minister of Finance

The Hon. Bob Andrew  
Minister of Economic  
Development and Trade

The Hon. Grant Schmidt  
Minister responsible for  
Status of Women

ALBERTA

The Hon. Don R. Getty  
Premier

The Hon. James D. Horsman  
Minister of Federal and  
Intergovernmental Affairs

The Hon. Larry Shaben  
Minister of Economic Development  
and Trade

The Hon. Peter Elzinga  
Minister of Agriculture

The Hon. Dennis Anderson  
Minister of Culture (responsible for Women's Issues)

NEWFOUNDLAND - TERRE-NEUVE

The Hon. A. Brian Peckford  
Premier

The Hon. Gerald Ottenheimer  
Minister for Intergovernmental Affairs

The Hon. Loyla Hearn  
Minister of Education

The Hon. Bill Matthews  
Minister of Culture,  
Recreation and Youth

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT  
SECRETARIAT DES CONFERENCES INTERGOUVERNEMENTALES CANADIENNES

Stuart MacKinnon  
Secretary/Secrétaire

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